



MD&A

MANAGEMENT'S
DISCUSSION
& ANALYSIS

2025

FOR THE YEAR ENDED
December 31, 2025





MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

For the Year Ended December 31, 2025

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About this Management's Discussion and Analysis

Chartwell Retirement Residences (“Chartwell” or the “Trust”) has prepared the following management’s discussion and analysis (the “MD&A”) to provide information to assist its current and prospective investors’ understanding of the financial results of Chartwell for the year ended December 31, 2025. This MD&A should be read in conjunction with Chartwell’s audited, consolidated financial statements for the years ended December 31, 2025, and 2024, and the notes thereto (the “Financial Statements”). This material as well as additional information about Chartwell, including our Annual Information Form for the year ended December 31, 2025, dated February 26, 2026 (the “AIF”), is available on Chartwell’s website at www.investors.chartwell.com and on the SEDAR+ website at www.sedarplus.com.

The discussion and analysis in this MD&A is based on information available to management as of February 26, 2026.

All references to “Chartwell,” “we,” “our,” “us,” or the “Trust” refer to Chartwell Retirement Residences and its subsidiaries, unless the context indicates otherwise. For ease of reference, “Chartwell” and the “Trust” are used in reference to the ownership and the operation of retirement and long term care residences and the third-party management business of Chartwell. The direct ownership of such residences and operation of such business is conducted by subsidiaries of the Trust.

In this document we refer to joint ventures as defined by IFRS Accounting Standards in ‘IFRS 11 – Joint Arrangements’ and that are accounted for using the equity method as “Equity-Accounted JVs”.

In this document, “Q1” refers to the three-month period ended March 31; “Q2” refers to the three-month period ended June 30; “Q3” refers to the three-month period ended September 30; “Q4” refers to the three-month period ended December 31; “2025” refers to the calendar year 2025; “2024” refers to the calendar year 2024; “2023” refers to the calendar year 2023; and “2022” refers to the calendar year 2022.

Unless otherwise indicated, all comparisons of results for 2025 and Q4 2025 are in comparison to results from 2024 and Q4 2024, respectively.

All dollar references, unless otherwise stated, are in Canadian dollars.

In this document we use a number of performance measures that are not defined in generally accepted accounting principles (“GAAP”) which follow the disclosure requirements established by National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosures (collectively, the “Non-GAAP Measures”), to measure, compare and explain the operating results and financial performance of the Trust.

These Non-GAAP Measures do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers. The Real Property Association of Canada (“REALPAC”) issued white papers with recommendation for calculation of Funds from Operations (“FFO”) (the “REALPAC Guidance”). Our FFO definition is substantially consistent with the definition adopted in the REALPAC Guidance. Refer to the “Additional Information on Non-GAAP Measures” section of this MD&A for details.

In this document we use various financial metrics and ratios in our disclosure of financial covenants. These metrics are calculated in accordance with the definitions contained in our credit agreements and the trust indenture governing our outstanding debentures and may be described using terms that differ from standardized meanings prescribed by GAAP. These metrics may not be comparable to similar metrics used by other issuers.

The Non-GAAP Measures are categorized as non-GAAP financial measures, non-GAAP ratios, supplementary financial measures, and capital management measures as follows:

Non-GAAP Financial Measures:

FFO, FFO for Equity-Accounted JVs, Internal Funds from Operations (“IFFO”), including per unit amounts (“PU”), Earnings before interest, tax, depreciation and amortization (“consolidated EBITDA” or “EBITDA”), Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted Other Property Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, Adjusted Resident Revenue per Occupied Suite (“REVPOS”), Adjusted Direct Property Operating Expense per Occupied Suite (“DOEPOS”), Adjusted Net Operating Income per Occupied Suite (“NOIPOS”), FFO Payout Ratio, Consolidated Interest Expense, Adjusted Consolidated Gross Book Value of Assets, Book value of assets, Gross book value adjustment on IFRS transition, Adjustment for accumulated depreciation and amortization, Aggregate Adjusted Assets, and Amortization of finance costs and fair value adjustments on assumed mortgages, Proforma adjustments, and Total Units Outstanding.

Non-GAAP Ratios:

Debt Service Coverage Ratio, Interest Coverage Ratio, Total Leverage Ratio, Adjusted Consolidated Unitholders’ Equity Ratio, Secured Indebtedness Ratio, Unencumbered Property Asset Ratio, Consolidated EBITDA to Consolidated Interest Expense Ratio, Indebtedness Percentage, Net Debt to Adjusted EBITDA Ratio, Expected Unlevered Yield, and Coverage Ratio.

Supplementary Financial Measures:

Net Operating Income (“NOI”), Adjusted NOI, Adjusted Development Costs, Estimated Stabilized NOI, Unencumbered Property Asset Value and Unencumbered Aggregate Adjusted Assets.

Capital Management Measures:

Liquidity, Imputed Cost of Debt, Regularly Scheduled Debt Principal Payments, Consolidated Indebtedness, Secured Indebtedness, and Unsecured Indebtedness.

Refer to the “Additional Information on Non-GAAP Measures”, “Results of Operations/FFO”, “Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt”, “Results of Operations/Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” and “Liquidity and Capital Resources/Debt Covenants” sections of this MD&A for details on these measures.

Risks and Uncertainties

Refer to the “Risks and Uncertainties” section on page 50 of this MD&A, as well as our AIF dated February 26, 2026, for detailed discussions of risk factors and uncertainties facing Chartwell.

Forward-Looking Information

This document contains forward-looking information that reflects management’s current expectations, estimates, forecasts and projections about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry as of the date of this MD&A. Refer to the “Forward-Looking Information” section on page 50 of this MD&A.

Highlights

The following highlights select metrics for 2025 compared to 2024 and Q4 2025 compared to Q4 2024. Refer to the “Results of Operations” section on page 19 of this MD&A for details.

2025

- Property revenue increased \$279.1 million or 34.9%.
- Net income increased \$7.1 million.
- FFO increased \$80.6 million or 40.8%.
- Same property adjusted NOI increased 18.4%.
- Same property adjusted operating margin increased 330 basis points (“bps”) to 41.7%.
- Weighted average same property occupancy increased 480 bps to 92.8%, ending at 95.2%
- Same property NOIPOS increased 12.2% on higher REVPOS and lower DOEPOS.

Q4 2025

- Property revenue increased \$73.8 million or 33.8%.
- Net income increased \$3.7 million.
- FFO increased \$23.6 million or 40.9%.
- Same property adjusted NOI increased 16.9%.
- Same property adjusted operating margin increased 310 bps to 41.6%.
- Weighted average same property occupancy increased 430 bps to 94.7%.
- Same property NOIPOS increased 11.6% on higher REVPOS and lower DOEPOS.

Distributions increase 2.0% as of March 31, 2026.

The following table summarizes select financial and operating performance measures:

(\$000s, except per unit amounts)	Q4 2025	Q4 2024	Change	2025	2024	Change
Property revenue	292,258	218,445	73,813	1,079,035	799,923	279,112
Direct property operating expense	174,944	138,707	36,237	650,076	509,179	140,897
Net income	7,244	3,544	3,700	29,495	22,378	7,117
FFO ⁽¹⁾	81,241	57,663	23,578	278,020	197,462	80,558
FFO per unit ⁽¹⁾	0.26	0.21	0.05	0.95	0.76	0.19
G&A expenses ⁽²⁾	12,714	10,334	2,380	56,601	49,460	7,141

(1) Non-GAAP; refer to the “Results of Operations/FFO” section on page 20 of this MD&A for details.

(2) Refer to the “Results of Operations/General, Administrative and Trust Expenses” section on page 25 of this MD&A for details.

The following table summarizes the results of our same property portfolio as at December 31, 2025:

(\$000s, except percentages and per occupied suite amounts)	Q4 2025	Q4 2024	Change	2025	2024	Change
Same property ⁽¹⁾						
Adjusted property revenue ⁽²⁾	182,391	168,452	13,939	705,927	647,327	58,600
Adjusted resident revenue ⁽²⁾	179,526	165,273	14,253	694,304	634,103	60,201
Adjusted other property revenue ⁽²⁾	2,865	3,179	(314)	11,623	13,224	(1,601)
Adjusted direct property operating expense ⁽²⁾	106,567	103,586	2,981	411,629	398,774	12,855
Adjusted NOI ⁽²⁾	75,824	64,866	10,958	294,298	248,553	45,745
Adjusted operating margin ⁽²⁾	41.6%	38.5%	3.1pp	41.7%	38.4%	3.3pp
Weighted average occupancy rate	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp
REVPOS ⁽²⁾	5,026	4,848	178	4,959	4,778	181
DOEPOS ⁽²⁾	2,984	3,039	(55)	2,940	3,005	(65)
NOIPOS ⁽²⁾	2,123	1,903	220	2,102	1,873	229

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 5 of this MD&A for explanation of ‘Same property’ and the significance of this metric.

(2) Non-GAAP; refer to the “Results of Operations/Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

The following table summarizes select metrics related to our liquidity and debt portfolio. Refer to the “Liquidity and Capital Resources” section on page 28 of this MD&A for details.

	December 31, 2025	December 31, 2024	December 31, 2023
Net Debt to Adjusted EBITDA	6.9x	8.4x	10.2x
Interest Coverage Ratio	3.5x	2.7x	2.3x
Available liquidity (\$000)	504,043	314,295	348,631
Weighted average interest rate (consolidated)	3.92%	4.30%	3.84%

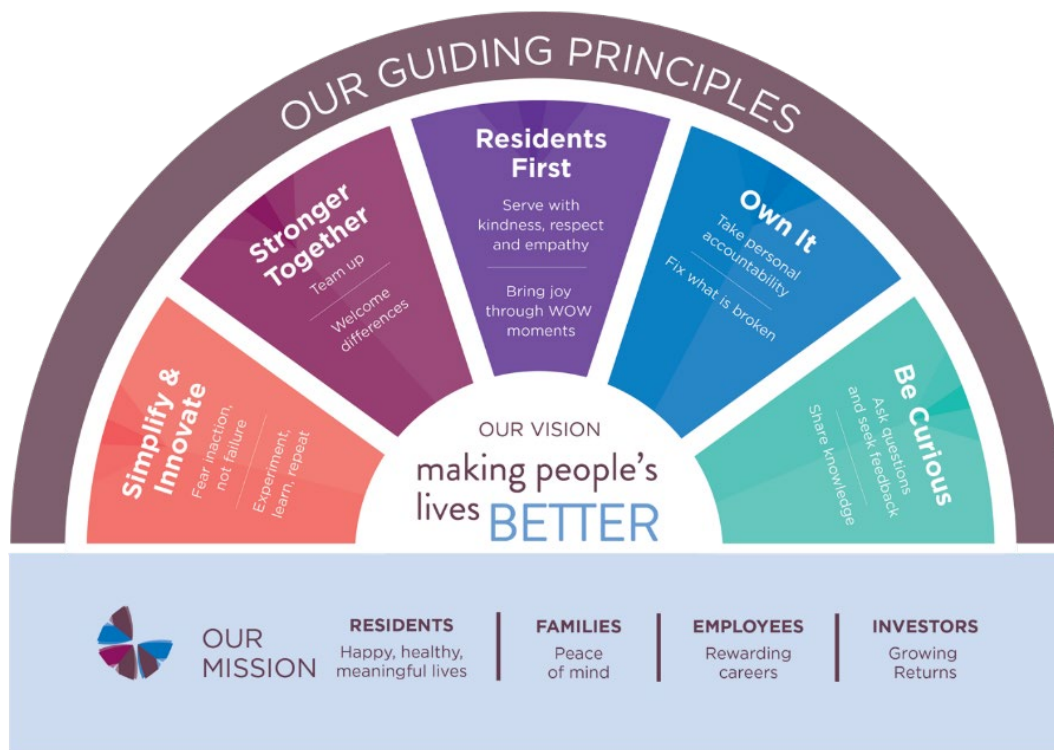
Business Overview

Chartwell is in the business of serving and caring for Canada’s seniors. We are passionate about what we do because we know we are positively impacting the lives of many people.

Our **Vision**—Making People’s Lives BETTER—is the core foundation of how we run our business.

Our **Mission** describes our promise to our **residents**: to create happy, healthy, meaningful lives; to their **families**: to create peace of mind; to our **employees**: to create rewarding careers; and to our **investors**: to create growing returns.

Our **Guiding Principles** direct our decisions in how we deliver on our vision and mission. **Residents First**: Serve with kindness, respect and empathy. Bring Joy through WOW moments. **Own It**: Take personal accountability. Fix what is broken. **Be Curious**: Ask questions and seek feedback. Share knowledge. **Simplify & Innovate**: Fear inaction, not failure. Experiment, learn, repeat. **Stronger Together**: Team up. Welcome differences.



Our Portfolio

Chartwell is an open-ended real estate trust governed by the laws of the Province of Ontario. We indirectly own and operate a portfolio of seniors housing residences across the continuum of care, all of which are located in Canada.

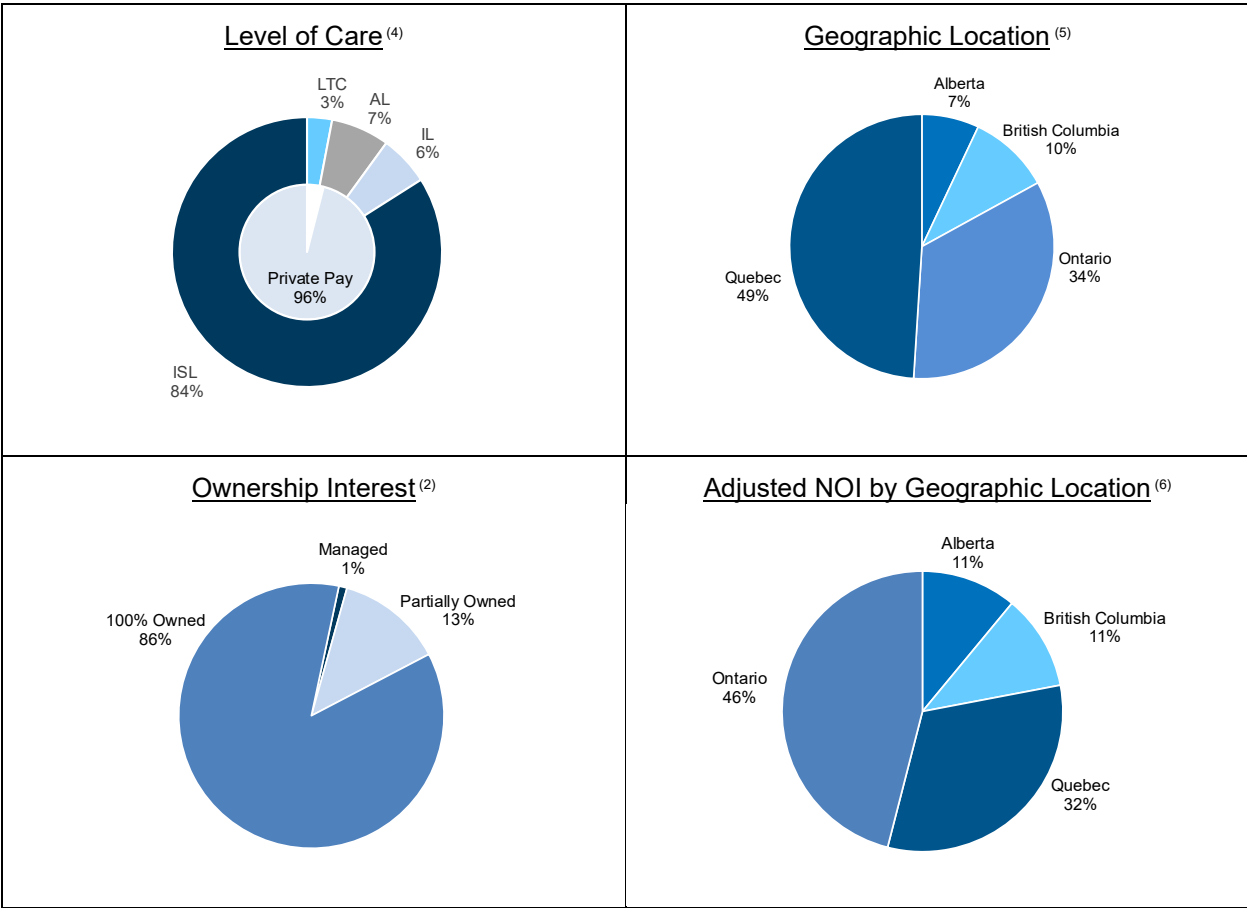
We provide resident services and care in the following settings:

Independent Living (“IL”)	Apartments with availability of dining, life enrichment and housekeeping services.
Independent Supportive Living (“ISL”)	Apartments and suites with availability of dining, life enrichment, housekeeping, personal assistance, and care services.

Assisted Living (“AL”)	Suites with a base level of personal assistance services and/or personal care services for persons with Alzheimer’s disease or other forms of dementia included in the base fee, located in a separate/secure wing, floor or building. Additional care services may be added on top of base fee.
Long Term Care (“LTC”)	Access to 24-hour nursing care or supervision in a secure setting, assistance with daily living activities and high levels of personal care. Admission and funding are overseen by local government agencies in each province.

The following table and pie charts present the composition of our owned and managed portfolio of residences at December 31, 2025:

	100% Owned ⁽¹⁾	Partially Owned ⁽²⁾	Total Owned	Total Managed	Total
Properties ⁽³⁾	130	13	143	1	144
Suites	22,729	3,552	26,281	283	26,564



(1) Includes one non-core property for which operational closure was completed, and on May 5, 2025, we entered into a 15-year lease agreement with the Ottawa Hospital. On February 19, 2026, we entered into a definitive agreement to sell this property for \$49.0 million with closing expected in Q1 2026.

(2) We have a 50% ownership interest in 10 residences (2,643 suites), a 60% ownership interest in one residence (165 suites) and an 85% ownership interest in two residences (744 suites).

(3) Effective Q1 2025, we changed our approach to the property count which resulted in a reduction of 12 properties. Where more than one residence is located on the same site or address, it is now counted as one property.

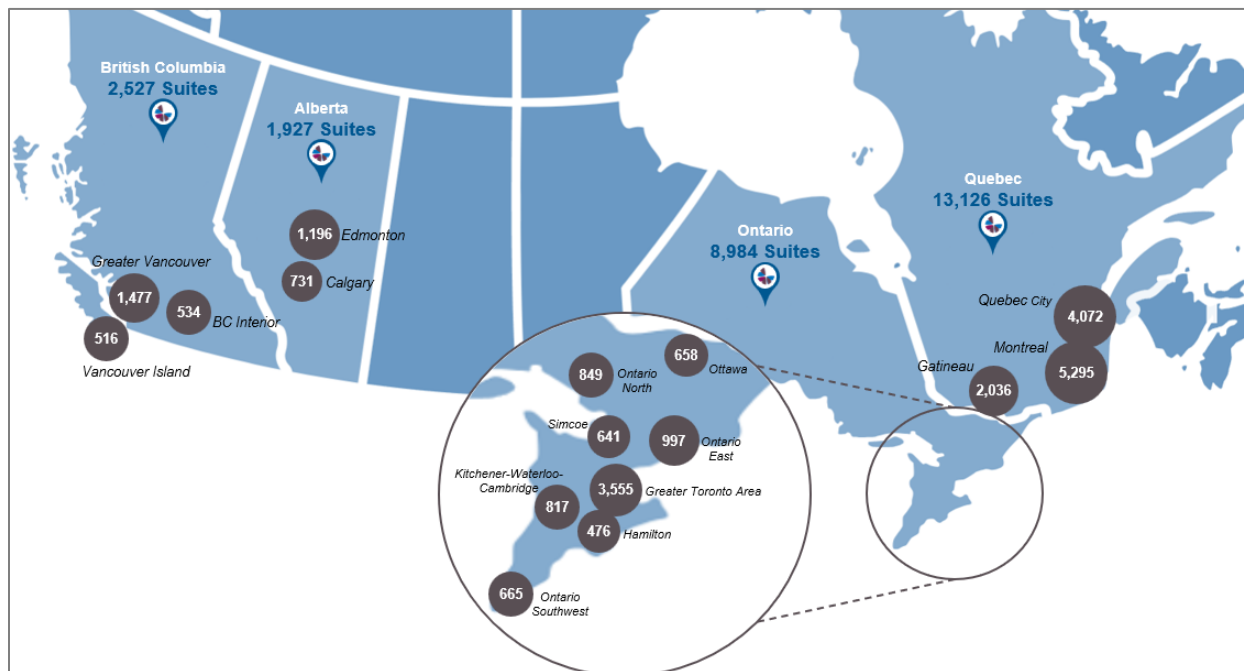
(4) Based on suites at Chartwell’s share of ownership interest at December 31, 2025. 96% of our suites are private pay and 4% receive funding by local government agencies in their respective province.

(5) Based on suites at 100% ownership interest at December 31, 2025.

(6) Adjusted NOI % represents Chartwell’s share of ownership interest for the year ended December 31, 2025.

Property Geographic Locations

Our properties are concentrated in Canada's four largest seniors housing markets—British Columbia, Alberta, Ontario, and Quebec. The following chart maps out our property portfolio as at December 31, 2025:



Property Portfolio Groupings

We use groupings of our properties to evaluate and monitor our financial and operating performance including:

Same property	Effective January 1, 2025, the composition of our same property portfolio includes properties that have been owned continuously and at the same ownership percentage since the beginning of the previous fiscal year.
Growth	Our growth portfolio includes properties that were acquired subsequent to January 1 of the preceding fiscal year and development properties that have not been operating for the full prior fiscal year. Additionally, our growth portfolio includes properties for which we acquired incremental ownership interest in the current fiscal year. Consequently, the previous fiscal year's results are not fully comparable for these properties.
Repositioning	Our repositioning portfolio includes properties that we expect to sell in the current fiscal year, and properties that are undergoing significant redevelopment or repositioning, including in some cases changes in capacity or use.

The supplemental disclosures of these portfolio groupings are Non-GAAP Measures that do not have standardized meanings prescribed by GAAP and, therefore, may not be comparable to similar measures used by other issuers.

The following table summarizes the composition of each portfolio grouping as at December 31, 2025:

	Composition of Suites					Total	Total at Chartwell's Share of Ownership
	Properties	IL	ISL	AL	LTC		
Same property							
100% Owned	81	849	9,947	966	201	11,963	11,963
Partially Owned ⁽¹⁾	5	17	908	-	-	925	610
Total same property	86	866	10,855	966	201	12,888	12,573
Growth							
100% Owned	33	384	7,644	619	125	8,772	8,772
Partially Owned ⁽²⁾	8	181	2,285	161	-	2,627	1,443
Total growth	41	565	9,929	780	125	11,399	10,215
Repositioning							
100% Owned ⁽³⁾	16	40	1,418	110	426	1,994	1,994
Total repositioning	16	40	1,418	110	426	1,994	1,994
Total portfolio	143	1,471	22,202	1,856	752	26,281	24,782

(1) We own an 85% interest in one property and a 50% interest in four properties.

(2) We own an 85% interest in one property, a 60% interest in one property, and a 50% interest in six properties.

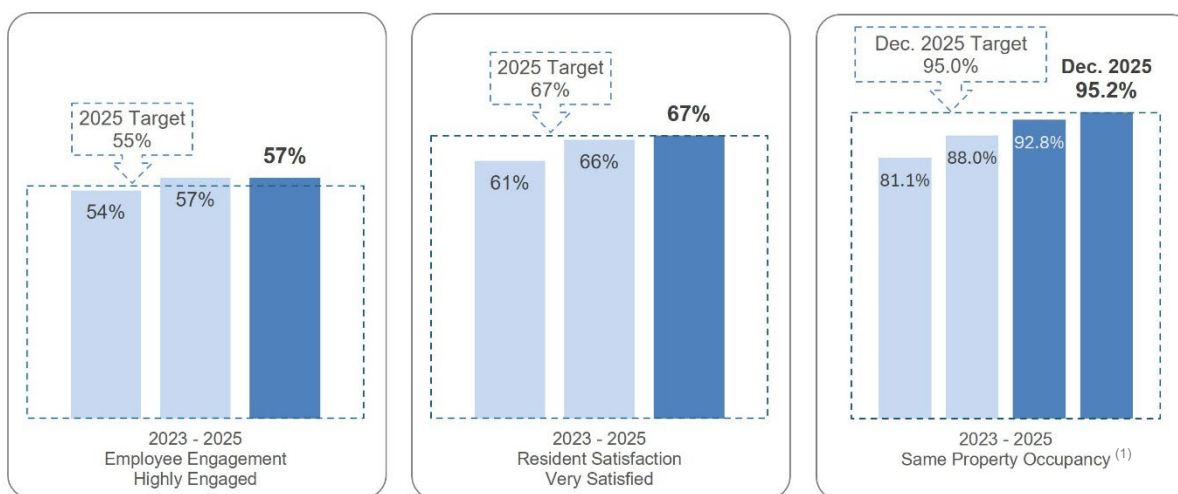
(3) Includes one non-core property that was operationally closed and in May 2025, leased to the Ottawa Hospital.

Business Strategy

2025 Strategy

In 2025, we will achieve in our retirement residences, **Employee Engagement** of 55% (highly engaged), **Resident Satisfaction** of 67% (very satisfied) and Same Property **Occupancy** of 95% to drive strong **IFFOPU** growth by providing exceptional resident experiences through personalized services in our upscale and mid-market residences in urban and suburban locations.

2025 marked the final year of our strategic plan which culminated in Chartwell meeting or exceeding our strategic goals. The following charts summarize Employee Engagement, Resident Satisfaction and Same Property Occupancy results for the past three years:



(1) Same property occupancy results are as reported, and the composition of the same property portfolio is not the same year-over-year.

2028 Strategy

In 2026-2028, we will generate robust **FFO per unit growth** through **exceptional resident experiences, empowered teams, a well-established agile management platform, and prominent Chartwell brand** driving **market-leading occupancies** in a **growing and renewing portfolio** of **community-tailored residences**.

We expect to deliver robust **FFOPU growth** through the achievement of the following targets to be measured and reported each quarter:

Same Property Performance	
Weighted average occupancy	> 95%
REVPOS growth ⁽¹⁾	> 4%
DOEPOS growth ⁽¹⁾	< 4%
Balance Sheet	
Net Debt to Adjusted EBITDA ⁽²⁾	< 7.5x
Interest Coverage Ratio ⁽²⁾	> 3.0x
FFO Payout Ratio ⁽¹⁾	< 60%
Capital	
Acquisitions and Developments ⁽³⁾	\$2 billion
Dispositions ⁽⁴⁾	\$1 billion

(1) *Measured quarterly.*

(2) *Measured quarterly for the trailing 12 months.*

(3) *Refers to aggregate purchase price of acquisitions at Chartwell's share of ownership plus adjusted development costs for the three-year period ending December 31, 2028. Measured quarterly on a cumulative basis.*

(4) *Refers to the aggregate gross sale price of dispositions for the three-year period ending December 31, 2028. Measured quarterly on a cumulative basis.*

Scope and Competitive Advantage:

Exceptional resident experiences. We create resident experiences that are personalized, memorable, feel like home, and where friends and families feel welcome and respected. Resident satisfaction will be measured annually by Net Promoter Score ("NPS"). 2025 NPS was 43; 2026 NPS target is 45.

Empowered teams. Our residence managers take ownership of strategies, execution, and results while leveraging expert corporate support. They innovate, experiment and lead highly engaged teams to exceed residents' expectations and achieve market-leading occupancies. Employee engagement will be measured annually by employee NPS ("eNPS"). 2025 eNPS was 39; 2026 eNPS target is 40.

Agile management platform. Culture, experience, standards and processes are optimized to enable smooth operations, innovation, learning and efficiency in scaling growth. Our leading management platform will continue to evolve through technology-enabled tools, transparent pricing strategies, a regionally focused corporate sales team and localized marketing. These tools also foster organizational learning and support our ability to scale effectively as we grow our footprint and deepen our presence in key markets.

Prominent Chartwell brand. We are strengthening the Chartwell brand as a differentiating asset. Our brand promise, **Joy is Ageless**, enhances our ability to attract residents, talent and partners. Brand consistency across our residences, paired with meaningful community partnerships, deepens trust and reinforces our market leadership positioning.

Market-leading occupancies. Aspiring to be the occupancy leader in each market through a strong brand presence, local market knowledge and deep community connections.

Growing and renewing portfolio. Responsibly and sustainably expanding market reach through investments in our core property portfolio, acquisitions and strategic developments. Optimizing and future-proofing our property portfolio through divestitures of non-core assets.

Community-tailored residences. Delivering services and care tailored to the unique demographic composition, preferences, and identity of local communities. Partnering with communities to bring positive change and improve lives.

2026 Outlook

The fundamentals supporting seniors housing have never been stronger. Canada's 80 plus population is projected to grow at approximately 4.0% annually over the next 20 years, creating sustained, long-term demand for retirement living. At the same time, new construction has slowed significantly, construction starts have been less than 1% of inventory in our core markets for the past three years, and many older residences are facing capital or economic obsolescence. This imbalance between accelerating demand and constrained supply underpins a continued favourable operating environment in 2026 for quality operators with scale, brand, and financial capacity. It also reinforces Chartwell's strategic focus on optimizing and renewing our existing portfolio, selectively pursuing development and acquisition opportunities in core markets, and responsibly recycling capital from non-core assets.

Operations

2025 represented another year of significant occupancy growth for Chartwell. We added 480 basis points ("bps") of occupancy in our same property portfolio, and we realized our strategic objective of 95% occupancy. We also strengthened our portfolio through acquisitions, reinvestment, new developments, and divestitures. In addition, we mirrored these improvements with ongoing investments in our management platform. The enhancements in our technology, sales and marketing strategies, and corporate support functions are efficiently delivering the tools that empower our front-line leaders to deliver exceptional results. We expect the strength of our portfolio and management platform to enable us to maintain a **95% average occupancy** in our same property portfolio and achieve occupancy gains in our growth portfolio. Occupancy growth will be supported by continued increases in rental and service rates which we expect to grow by approximately **4%** in 2026. Rate increases for our existing residents will take place throughout the year based on individual lease anniversary dates. Market rates are being assessed on an ongoing basis considering local dynamics. We expect to continue to reduce the use of targeted incentives during 2026 which will support rate growth. As a result of the expected growth in average occupancy and rate, we expect to see further growth in our same property adjusted operating margin beyond the 41.7% achieved in 2025. Adjusted operating margin is adjusted NOI divided by adjusted resident revenue.

2026 Same Property Composition

Effective January 1, 2026, the composition of our same property portfolio changed to include properties that have been owned continuously and at the same ownership percentage since January 1, 2025. Same property excludes development properties that have not been operating for the full prior fiscal year and properties that are expected to undergo significant redevelopment, repositioning or are to be sold in the current year.

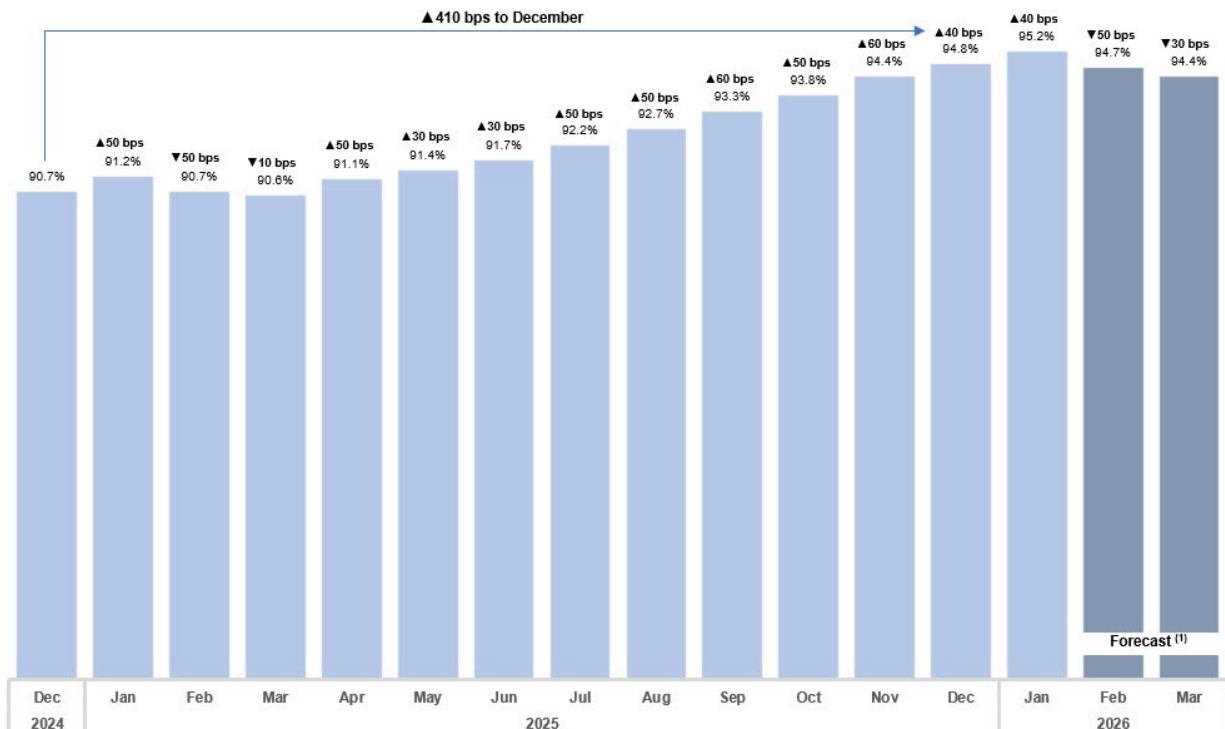
The following table summarizes the changes in composition of our same property portfolio reported in our 2025 financial results compared to the composition that will be reported in our 2026 financial results:

	Properties	Suites	At Chartwell's Share of Ownership	
			Suites	Occupancy ⁽¹⁾
Same property as reported in 2025	86	12,888	12,573	95.2%
Add: moved from growth portfolio	11	3,239	2,336	92.2%
Add: moved from repositioning portfolio	2	439	439	97.1%
Same property for 2026 reporting	99	16,566	15,347	94.8%

(1) As at December 31, 2025.

Same property for the purpose of this Outlook is in accordance with our 2026 definition. Same property references elsewhere in this document reflect the 2025 composition of our same property portfolio.

The following chart provides an update in respect of our same property occupancy:



(1) Forecast includes leases and notices as at January 31, 2026, and an estimate of mid-month move-ins of 20 bps for February and 50 bps for March, based on the preceding 12-month average of such activity.

We experienced a seasonal occupancy dip during the 2026 winter that was more in-line with historical periods given severe weather conditions and a more pronounced flu season. We expect to see strong spring permanent move-in activity given the robust industry supply and demand fundamentals and expect to achieve our full year average occupancy target of 95%.

For our combined same property and growth portfolios, the annual revenue impact of a one percent change in REVPOS is estimated at approximately \$11.2 million and a one percentage point change in occupancy is estimated at \$11.9 million.

General, Administrative and Trust (“G&A”) Expenses

Excluding the impact of unit based and performance based compensation, G&A expenses increased in-line with inflation in 2025 with continued investment in technology solutions and corporate support processes being offset by efficiencies achieved as we grow the portfolio. We expect this trend to continue in 2026 as we identify and implement further efficiencies that will allow us to support the growing portfolio, without significant increases in G&A expenses.

Portfolio Optimization

Development

Following a period of limited activity that was driven by elevated construction and financing costs, we have recommenced our development program to create a pipeline of new projects that will form a core pillar of our growth strategy. We will partner with reputable developers on attractive new sites and on lands we already own. We expect these partnerships to include both projects where we will contribute equity to the development, and projects structured with forward purchase arrangements that provide the ability to acquire properties either on construction completion or at stabilization. In total, we have identified projects representing 6,348 suites in our targeted core markets.

During 2025, we commenced construction of three development projects in Quebec representing 527 suites. These projects, which are expected to be delivered in Q4 2026 and Q1 2027 include expansions to two existing properties and a new project on a site adjacent to a residence co-owned by Chartwell and Batimo. We also announced a mezzanine loan for a new development in Alberta where we have a call option to acquire the property on stabilization, which we expect to occur in 2029. We also expect to finalize several new development projects in 2026 that will support our growth pipeline for 2028 and 2029.

Acquisitions

2025 was a record year of acquisitions for Chartwell with over \$1.7 billion in completed and announced investments during the year. We acquired interests in properties in core markets across British Columbia, Ontario, Quebec, and Alberta. These transactions included the acquisition of several newer, high-quality properties, as well as the consolidation of our ownership interests in a number of existing residences.

We expect the strong pace of acquisitions to continue in 2026 as we pursue opportunities to high grade our portfolio by acquiring newer, high-quality properties in core markets. We remain focused on leveraging our operating platform, maintaining financial flexibility, and advancing acquisitions that support long-term portfolio optimization.

Dispositions

We have identified properties within our portfolio that no longer fit our core strategic focus due to their location, size, age and/or service offering. These non-core properties represent approximately 5,500 suites. We intend to pursue dispositions of these properties in the next three years, as market conditions allow, with proceeds expected to be used to support future development and acquisition activity that is in line with Chartwell's current strategy.

Taxation

In 2025, 96.3% of our distributions were classified as return of capital and 3.7% were classified as eligible dividends. Based on current forecasts, we do not expect any other SIFT taxes payable in 2026.

Liquidity and Financing

As at February 26, 2026, liquidity amounted to \$483.8 million, which included \$88.9 million of cash and cash equivalents and \$394.9 million of available borrowing capacity on our Credit Facilities.

We finance our operations primarily through long-term fixed-rate mortgage debt, the majority of which are insured by Canada Mortgage and Housing Corporation ("CMHC"). We maintain an investment grade credit rating which allows us to issue unsecured debentures and obtain unsecured bank financing at attractive cost. We will continue to utilize these financing tools to balance cost, flexibility, and tenure of our debt portfolio. In 2026, our debt maturities include \$209.6 million of mortgages with a weighted average interest rate of 2.99%. As at February 26, 2026, we estimate the 10-year CMHC-insured mortgage rate to be approximately 3.85% and the five-year unsecured debenture rate to be approximately 3.88%.

Distributions

On February 26, 2026, the Trustees approved an increase in our monthly distributions from \$0.051 per unit (\$0.612 annualized) to \$0.052 per unit (\$0.624 annualized). The increase will be effective for the March 31, 2026 distribution payable on April 15, 2026.

Significant Events

In addition to the items discussed in the “2026 Outlook” section of this MD&A, the following events have had a significant effect on our financial results to date in 2025 and/or may be expected to affect our results in the future:

Portfolio Optimization

We continue to pursue a portfolio optimization strategy to high grade our portfolio into newer, larger, and operationally efficient seniors communities across Canada's top retirement markets to best position Chartwell for long-term sustainable NOI growth. We have invested significant financial and management capital pursuing acquisitions in line with this strategy and more recently have initiated new development projects to support a strong pipeline of future property growth. We have also identified properties within our portfolio that no longer fit this core strategic focus due to their location, size, age and/or service offering.. We intend to pursue dispositions of some or all of these properties, as market conditions allow, with proceeds expected to be used to support future development and acquisition activity that is in line with Chartwell's current strategy.

Development

Expected Unlevered Yield

In addition to monitoring development costs measured on a GAAP basis, which includes land, hard and soft development costs, furniture, fixtures and equipment, we assess our return on investment in development activities using the non-GAAP measure 'Expected Unlevered Yield'. Expected Unlevered Yield should not be construed as an alternative to other GAAP metrics and may not be comparable to measures used by other entities.

Expected Unlevered Yield is defined as the ratio of:

- the estimated annual NOI of a development property in the first year it achieves an expected stabilized occupancy level (“Estimated Stabilized NOI”), which varies from project to project,
- divided by the estimated adjusted development costs (the “Adjusted Development Costs”), which is the sum of:
 - development costs on a GAAP basis, plus
 - an imputed cost of debt calculated by applying our estimated weighted average cost of debt to our GAAP development costs, compounded during the development of the property (the “Imputed Cost of Debt”).

We see this as a useful measure as we believe it reflects our financial returns on the total economic cost of developing a new property.

Completed Developments

During Q3 2025, we completed the redevelopment of Chartwell Ballycliffe LTC, located in Ajax, Ontario, expanding the home from 100 to 224 beds and became eligible for a \$10.1 million grant from the Ontario Ministry of Long Term Care (the “MLTC”). As at December 31, 2025, we incurred total adjusted development costs of \$80.1 million, resulting in a \$70.0 million net investment in the project. In addition, we expect to receive an annual capital funding subsidy from the MLTC of \$1.9 million over the next 25 years. Present value of this cash flow stream of \$31.4 million was recorded as a receivable in our financial statements.

Developments in Construction

The following table summarizes development projects that are in construction as of the date of this MD&A:

Project	Location	Suites / Beds	Suite Type	Chartwell Ownership	Estimated Development Cost ⁽¹⁾ (\$ millions)	Estimated Imputed Cost of Debt ⁽¹⁾⁽²⁾ (\$ millions)	Estimated Adjusted Development Costs ⁽¹⁾⁽³⁾ (\$ millions)	Adjusted Development Costs ⁽¹⁾⁽²⁾ incurred as at December 31, 2025 (\$ millions)	Expected Completion Date	Expected Stabilized Occupancy Date	Expected Stabilized Occupancy	Estimated Stabilized NOI ⁽¹⁾⁽²⁾ (\$ millions)	Expected Unlevered Yield ⁽²⁾
Chartwell Le Prescott II	Vaudreuil-Dorion, QC	247	IL/ AL	50%	47.1	1.0	48.1	13.9	Q1 2027	Q1 2030	96.5%	3.6	7.5%
Lib Vaudreuil-Dorion	Vaudreuil-Dorion, QC	187	IL	50%	37.9	0.7	38.6	12.4	Q1 2027	Q2 2029	97.0%	1.9	4.9%
Chartwell des Mille-Îles	Terrebonne, QC	93	IL	100%	32.0	1.9	33.9	7.2	Q4 2026	Q1 2028	97.5%	2.5	7.4%
		527			117.0	3.6	120.6	33.5					

(1) Calculated at Chartwell's ownership interest in the project.

(2) Non-GAAP; refer to the preamble to this section for the definition of this metric and the discussion of its significance.

(3) Non-GAAP; represents the total of estimated Development Costs and estimated Imputed Cost of Debt.

In 2025, we acquired ownership interests in two development projects in Vaudreuil-Dorion with Batimo as follows:

- On June 11, 2025, we acquired a 50% interest in a 247-suite addition to the existing Chartwell Le Prescott residence—Chartwell Le Prescott II—comprised of 223 independent living suites and 24 assisted living suites for a purchase price of \$7.8 million.
- On July 3, 2025, we acquired a 50% interest in the development of Lib Vaudreuil-Dorion, a 187-suite seniors' apartment building tailored to active, independent 55+ adults for a purchase price of \$6.3 million.

Development Arrangements with Third-Party Developers

In addition to development projects where we make direct equity investments, we may participate in selected development projects through arrangements with third-party developers. These arrangements are structured on a project specific basis and may include mezzanine financing, operational involvement and future acquisition rights, without initial equity ownership in the underlying development.

During the year, we advanced mezzanine financing in connection with the development of a 111-suite retirement residence in Calgary, Alberta. The financing is secured by the project and includes customary credit protection. We will act as the operations manager of the residence and have the option to acquire the property upon stabilization. The project is not consolidated and is not included in our development costs as reported in the table above.

Projects by Batimo

We have built an important pipeline of acquisition opportunities by participating in certain development projects conducted by Batimo in the province of Quebec. Batimo carries out development activities, and we provide certain operations management services to these projects and in some cases, provide mezzanine financing.

We have entered into various development arrangements with Batimo under which we participate in the development and lease-up of certain retirement residence projects. Under legacy arrangements, Batimo has the right, upon a property achieving specified stabilized occupancy levels, to require us to acquire an 85% ownership interest in the property at a price based on fair market value, as defined in the agreements. This right is exercisable for a defined period following stabilization.

We have adopted a revised ownership structure for the Chartwell Le Prescott II project under construction. Under this framework, Chartwell and Batimo each hold a 50% interest during construction and lease-up. Upon achievement of stabilized occupancy, the parties will negotiate the terms under which our ownership interest would increase to 85%. If the parties are unable to reach an agreement, either party may require Chartwell's purchase of an additional 35% interest at a price based on fair market value, as defined in the agreements. These rights are exercisable for a defined period following stabilization.

Certain other development projects with Batimo are subject to separate arrangements and are not governed by the terms described above.

Since the inception of our partnership in 2014, we have acquired interests in 11 properties (3,565 suites) from Batimo including interests in three projects in 2025, as discussed in the Acquisitions section following.

The following table summarizes the status of current projects by Batimo:

Project	Location	Suites	Suite Type	Current Project Status ⁽¹⁾	Actual Completion Date	Current Occupancy ⁽²⁾	Actual / Expected Stabilized Occupancy Date
Chartwell Le Montcalm	Candiac, QC	283	ISLA	O	September 2017	98.8%	Q4 2022

(1) Current project status is defined where 'O' means Operating.

(2) As of January 16, 2026.

Chartwell Le Montcalm has achieved the occupancy threshold giving effect to the Batimo put rights. We estimate the current value of this project at approximately \$86.5 million at 100% ownership interest.

Potential Developments on Owned Lands

The following table summarizes additional development opportunities on our owned lands. While a number of these development projects are in advanced stages of pre-construction or feasibility assessments, others have a longer-term development time horizon and, in some cases, may be subject to extensive municipal approval requirements. The land values are recorded in land held for development and properties under development.

Location	Ownership %	Vacant Land Size (acres)	Estimated Potential Number of Suites ⁽¹⁾	Book Value of Land (\$millions)
Bowmanville, ON	100%	1.8	223	4.3
Brockville, ON	100%	0.5	54	0.6
Calgary, AB	100%	1.4	384	10.9
Edmonton, AB	100%	2.1	202	5.5
Gatineau, QC	100%	3.4	600	8.6
Gatineau, QC	100%	2.2	419	6.5
Gatineau, QC	100%	1.5	159	2.6
Morrisburg, ON	100%	1.8	24	-
Nepean, ON	100%	0.5	32	0.6
Oshawa, ON	100%	2.0	201	6.0
Pickering, ON	100%	1.3	415	6.3
Saint-Hyacinthe, QC	100%	0.8	70	0.7
Saint-Jérôme, QC	100%	6.0	410	0.9
Saint-Jérôme, QC	100%	0.6	126	-
St-Jean-sur-Richelieu, QC	100%	1.3	163	-
Surrey, BC	100%	2.6	184	4.9
Victoriaville, QC	100%	1.1	66	0.2
Total ⁽²⁾		30.9	3,732	58.6

(1) Numbers of potential suites to be developed are estimates and subject to change based on market conditions and municipal approval processes.

(2) Includes \$46.3 million in land held for development and \$12.3 million in properties under development.

Acquisitions

On January 17, 2025, we acquired a 131-suite retirement residence in Victoria, British Columbia for a purchase price of \$75.0 million. The residence was rebranded Chartwell Victoria Harbour. The purchase price was settled in cash.

On March 1, 2025, we acquired a 632-suite retirement residence in Montreal, Quebec for a purchase price of \$136.0 million. The residence was rebranded Chartwell Rosemont Les Quartiers. The purchase price was settled in cash.

On March 10, 2025, we acquired the remaining 15% ownership interest in Chartwell Trait-Carré, a 361-suite retirement residence in Charlesbourg, Quebec from Batimo for \$17.2 million before working capital adjustments and closing costs. The purchase price included the proportionate assumption of the \$66.5 million mortgage in place at closing, with the balance settled in cash. We now have 100% ownership interest in this residence. In addition, we repaid the mortgage following closing of the transaction.

On April 1, 2025, we acquired Chartwell Le Florilège, a 345-suite retirement residence in Quebec City, Quebec from Batimo. The purchase price of \$112.9 million was partially settled through the assumption of a \$77.6 million variable rate mortgage bearing interest at the Canadian Overnight Repo Rate Average ("CORRA") plus 1.95% and maturing in six months. This mortgage was subsequently repaid. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash.

On April 1, 2025, we acquired Chartwell L'Envol, a 360-suite retirement residence in Quebec City, Quebec from Batimo. The purchase price of \$117.8 million was partially settled through the assumption of a \$65.4 million variable rate mortgage bearing interest at CORRA plus 1.95% and maturing in six months as well as the settlement of a \$4.2 million mezzanine loan. This mortgage was subsequently repaid. The remainder of the purchase price, subject to normal working capital and other closing adjustments, was paid in cash.

On June 1, 2025, we acquired an additional 5% ownership interest in The Sumach by Chartwell, a 332-suite retirement residence in Toronto, Ontario for \$6.7 million before normal working capital and other closing adjustments. We now have 50% ownership interest in the property.

On July 21, 2025, we entered into a definitive agreement to acquire a portfolio of six seniors housing communities comprising 1,024 suites located in London, Waterloo, and Mississauga, Ontario for a total purchase price of \$432.0 million, including a forward purchase agreement to acquire 29 townhomes at one of the communities upon completion of their development expected in Q4 2026. The purchase price will be partially settled by assuming mortgages of approximately \$229.6 million. The assumed mortgages, the majority of which are CMHC insured, have a weighted average interest rate of 4.5% and weighted average term to maturity of 19 years. Closing of the transaction is subject to third-party approvals.

On October 1, 2025, we acquired a 449-suite retirement residence (rebranded Chartwell Les Tours Angrignon) in Montreal, Quebec. The purchase price of \$88.5 million was partially settled through the assumption of a CMHC-insured mortgage of \$68.7 million bearing interest at 2.22% maturing in December 2026. The remainder of the purchase price, subject to normal working capital and other adjustments, was paid in cash.

On November 1, 2025, we acquired Résidence L'Aubier, a 376-suite retirement residence in Lévis, Quebec from Batimo. The purchase price of \$128.2 million was settled in cash and the repayment of a \$10.0 million loan extended by Chartwell to Batimo. A portion of the purchase price of \$0.65 million is held back to support the vendor NOI guarantee obligations to Chartwell.

On November 3, 2025, we acquired a 238-suite retirement residence (rebranded Chartwell Panorama) in Laval, Quebec for \$76.0 million. The purchase price was settled in cash.

On December 1, 2025, we acquired a 334-suite retirement residence (rebranded Chartwell Azalis) in Repentigny, Quebec for \$111.0 million. The purchase price was settled in cash.

On December 2, 2025, we acquired a newly developed 155-suite retirement residence (rebranded Chartwell Edgewater) in Nanaimo, British Columbia for \$102.7 million. The purchase price was settled in cash.

On December 15, 2025, we acquired The Edward, a 90-suite retirement residence in Calgary, Alberta for \$53.0 million. The purchase price was settled in cash.

On December 18, 2025, we acquired the remaining 15% ownership interest in Résidence Légende, a 368-suite retirement residence in Longueuil, Quebec from Batimo for \$17.9 million before working capital adjustments and closing costs. The purchase price included the proportionate assumption of the \$10.1 million mortgage in place at closing, with the balance settled in cash. We now have 100% ownership interest in this residence.

Dispositions

On February 1, 2025, we completed the wind-up our joint arrangements with Welltower (the “Welltower Transaction”). Under the terms of the agreement, Chartwell conveyed its ownership interest in 23 assets (the “Welltower Assets”) to Welltower for consideration of: (i) Welltower’s ownership interest in 16 assets (the “Chartwell Assets”) and (ii) \$93.1 million in cash net of debt and working capital adjustments. Net proceeds to Chartwell after estimated transaction costs of \$12.9 million and taxes of \$1.8 million are expected to be approximately \$78.4 million (the “Cash Consideration”). Chartwell acquired \$210.4 million in PP&E and assumed \$131.7 million in debt on the Chartwell Assets. The assumed debt has a weighted average interest rate of 3.1% and a weighted average term to maturity of 5.3 years. The net change to total debt for Chartwell was a reduction of approximately \$52.1 million including the impact of the settlement of the Welltower loan of \$33.3 million that was settled upon closing of the transaction, as discussed in the “Liquidity and Capital Resources/Debt/Loans Payable” section on page 31 of this MD&A. This net change is before any impact of the Cash Consideration.

Repositioning

On May 5, 2025, we entered into a 15-year lease agreement with the Ottawa Hospital for one of our residences in Ottawa, Ontario. Under the terms of the lease, we will receive annual lease payments of \$2.3 million, subject to escalators. We expect to incur one-time leasing costs of approximately \$2.7 million. On February 19, 2026, we entered into a definitive agreement to sell this residence for \$49.0 million with closing expected in Q1 2026.

Financing

On March 6, 2025, we issued \$200.0 million of 3.650% Series E senior unsecured debentures (the “Series E Debentures”) due on May 6, 2028, and \$200.0 million of 4.500% Series F senior unsecured debentures (the “Series F Debentures”) due on March 6, 2032. The net proceeds of the Series E Debentures and the Series F Debentures were used to repay indebtedness under our secured credit facility, to repay the remaining \$75.0 million outstanding on our unsecured term loan and to partially finance acquisitions. Refer to the “Liquidity and Capital Resources/Debt/Debentures” section on page 32 of this MD&A for details.

On June 3, 2025, we entered into amending agreements to extend the maturity date of the secured and unsecured credit facility from May 29, 2027, to May 29, 2029. Terms of the facility were amended to reduce the interest on the secured facility and to change the lending formula impacting the calculation of the facility’s available borrowing capacity. Refer to the “Liquidity and Capital Resources/Debt/Credit Facilities” section on page 31 of this MD&A for details.

At-the-Market Program

On November 14, 2024, we filed a prospectus supplement to establish an at-the-market equity distribution program (the “2024 ATM Program”). The 2024 ATM Program allowed us to issue up to \$250.0 million of Trust Units from treasury to the public from time to time during the term of the 2024 ATM Program at its discretion.

As of June 30, 2025, approximately \$250.0 million of Trust Units qualified for distribution under the 2024 ATM Program had been issued and sold.

On August 7, 2025, we amended the prospectus supplement for the 2024 ATM Program to increase the aggregate amount of Trust Units that could be issued under the 2024 ATM program by an additional \$250.0 million. As of September 30, 2025, we had issued and sold a further approximate \$250.0 million of Trust Units under the amended 2024 ATM Program.

On November 6, 2025, we filed a new prospectus supplement to renew our at-the-market equity distribution program (the “2025 ATM Program” and together with the 2024 ATM Program, the “ATM Programs”) to allow us to issue up to \$500.0 million of Trust Units from treasury to the public from time to time during the term of the 2025 ATM Program. The 2025 ATM Program is effective until May 30, 2026, unless terminated prior to such date by Chartwell or otherwise in accordance with the terms of the Equity Distribution Agreement which sets out the terms of the sale of Trust Units under the 2025 ATM Program. As of December 31, 2025, we had issued and sold approximately \$240.0 million of the Trust Units under the 2025 ATM program.

During the year ended December 31, 2025, we issued an aggregate 38,894,442 Trust Units under the ATM Programs at an average price of \$18.52 per Trust Unit for total gross proceeds of \$720.5 million. Commission and other costs amounted to \$11.5 million, offset by a deferred tax asset of \$6.1 million.

Credit Rating

On September 30, 2025, DBRS confirmed our Issuer Rating and Senior Unsecured Debentures credit rating at BBB (low) and changed the trends to Positive from Stable, as described in their report. Details are available on the DBRS website at www.dbrsmorningstar.com.

Joint Arrangements

'IFRS 11 – Joint Arrangements' classifies joint arrangements either as a joint operation or as a joint venture. Joint operations are joint arrangements in which the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for using proportionate consolidation. Joint ventures are joint arrangements in which the parties have rights to the net assets relating to the arrangement. Generally, where the party holds its interest in the joint arrangement through a separate legal entity, the joint arrangement will be classified as a joint venture. Joint ventures are accounted for using the equity method of consolidation. Chartwell does not independently control its joint arrangements which are accounted for using the equity method, and Chartwell's proportionate share of the financial position and results of operations of its investment in such joint arrangements, where presented and discussed in this MD&A using the proportionate consolidation method, does not necessarily represent Chartwell's legal claim to such items.

The following table summarizes the classification of properties which are owned through our joint arrangements, or which are partially owned as at December 31, 2025:

Joint Arrangements	# of Properties	Suites/Beds	Chartwell Ownership	Joint Arrangement Type	Consolidation Method
Held directly:					
Chartwell-Champlain Landlord ("CCL")	5	1,807	50%	Joint operation	Proportionate
The Sumach by Chartwell	1	332	50%	Joint operation	Proportionate
Batimo	2	744	85%	Joint operation	Proportionate
Chartwell Riverside Retirement Residence	1	138	50%	Joint operation	Proportionate
Chartwell Churchill House Retirement Residence	1	98	50%	Joint operation	Proportionate
Chartwell Le Prescott II	1	-	50%	Joint operation	Proportionate
Lib Vaudreuil-Dorion	1	-	50%	Joint operation	Proportionate
Held through separate legal entities:					
Chartwell-Champlain Operator	1	Same as CCL	Same as CCL	Joint venture	Equity
Chartwell Oakville Retirement Residence	1	147	50%	Joint venture	Equity
Chartwell Thornhill Retirement Residence	1	121	50%	Joint venture	Equity
Kingsbridge Retirement Community	1	165	60%	Joint venture	Equity

On February 1, 2025, we completed the wind-up of our joint arrangements with Welltower as outlined in the "Significant Events/Portfolio Optimization/Dispositions" section on page 16 of this MD&A.

Results of Operations

Net Income/(Loss)

The following table summarizes select financial measures:

<i>(\$000s)</i>	Q4 2025	Q4 2024	Change	2025	2024	Change
Property revenue	292,258	218,445	73,813	1,079,035	799,923	279,112
Direct property operating expense	174,944	138,707	36,237	650,076	509,179	140,897
Net income	7,244	3,544	3,700	29,495	22,378	7,117

For 2025, property revenue increased \$279.1 million or 34.9%, and direct property operating expense increased \$140.9 million or 27.7%. Refer to the “Adjusted Property Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For 2025, net income was \$29.5 million compared to \$22.4 million in 2024 primarily due to:

- higher property revenue,
 - reversal of impairment expense, and
 - higher gain on disposal of assets,
- partially offset by:
- higher direct property operating expense,
 - higher depreciation of property, plant and equipment (“PP&E”),
 - higher finance costs,
 - higher deferred tax expense,
 - lower net income from joint ventures,
 - higher general, administrative, and Trust (“G&A”) expenses, and
 - higher negative changes in fair value of financial instruments.

Fourth Quarter

For Q4 2025, property revenue increased \$73.8 million or 33.8%, and direct property operating expense increased \$36.2 million or 26.1%. Refer to the “Adjusted Property Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI” section on page 21 of this MD&A for details.

For Q4 2025, net income was \$7.2 million compared to \$3.5 million in Q4 2024 primarily due to:

- higher property revenue, and
 - reversal of impairment expense,
- partially offset by:
- higher direct property operating expense,
 - higher depreciation of PP&E,
 - negative changes in fair value of financial instruments in Q4 2025 as compared to positive changes in fair value of financial instruments in Q4 2024,
 - higher deferred tax expense,
 - higher finance costs,
 - lower net income from joint ventures, and
 - higher G&A expenses.

FFO

FFO, a non-GAAP financial measure, should not be construed as an alternative to net earnings or cash flow from operating activities as determined by GAAP. FFO as presented may not be comparable to similar measures used by other issuers. We present FFO substantially consistent with the definition adopted in the REALPAC Guidance. This definition is included in the “Additional Information on Non-GAAP Measures” section on page 39 of this MD&A.

We believe that the use of FFO, combined with the required primary GAAP presentations, is beneficial to the users of the financial information, improving their understanding of our operating results. FFO is considered a meaningful measure for reviewing our operating and financial performance because it excludes several items that can vary among owners of identical assets in similar conditions based on historical cost accounting and useful life estimates. These items include real estate asset depreciation, amortization of intangible assets, transaction costs from business acquisitions and dispositions, impairment of PP&E, distributions on Class B Units of Chartwell Master Care LP recorded as interest expense, changes in the fair value of financial instruments, deferred income tax expense/benefit, remeasurement gains, gains/losses on asset disposals, and adjustments for Equity-Accounted JVs. By excluding these items, FFO helps users compare the financial and operating performance of our real estate portfolio across different financial reporting periods.

Refer to the “Additional Information on Non-GAAP Measures” section on page 39 of this MD&A for the reconciliation of net income/(loss), the most closely comparable GAAP measure, to FFO and FFO per unit (“FFOPU”) amounts.

The following table presents FFO, FFOPU and weighted average number of units:

<i>(\$000s, except per unit amounts and number of units)</i>	Q4 2025	Q4 2024	Change	2025	2024	Change
FFO ⁽¹⁾	81,241	57,663	23,578	278,020	197,462	80,558
FFOPU ⁽²⁾	0.26	0.21	0.05	0.95	0.76	0.19
Weighted average number of units (000) ⁽³⁾	310,769	275,494	35,275	293,288	260,119	33,169

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures/FFO” section on page 39 of this MD&A for a discussion of the nature of various adjustments made in FFO calculations.

(2) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures/Per Unit Amounts” section on page 43 of this MD&A for a discussion of the calculation of the per unit amounts.

(3) Non-GAAP; refer to “Weighted Average Number of Units” section on page 43 of this MD&A.

For 2025, FFO was \$278.0 million or \$0.95 per unit, compared to \$197.5 million or \$0.76 per unit for 2024. The change in FFO was primarily due to:

- higher adjusted NOI of \$109.8 million,
- higher adjusted interest income of \$3.7 million,
- higher other lease revenue of \$2.2 million, and
- lower depreciation of PP&E and amortization of intangibles assets used for administrative purposes of \$0.5 million,

partially offset by:

- higher adjusted finance costs of \$20.0 million,
- lower management fees of \$7.6 million,
- higher G&A expenses of \$7.1 million, and
- lower other income of \$0.9 million.

Fourth Quarter

For Q4 2025, FFO was \$81.2 million or \$0.26 per unit, compared to \$57.7 million or \$0.21 per unit for Q4 2024. The change in FFO was primarily due to:

- higher adjusted NOI of \$28.8 million, and
- higher adjusted interest income of \$1.5 million, and
- higher other lease revenue of \$1.2 million,

partially offset by:

- higher adjusted finance costs of \$3.3 million,
- higher G&A expenses of \$2.4 million, and
- lower management fees of \$2.2 million.

Adjusted Property Revenue, Adjusted Resident Revenue, Adjusted Direct Property Operating Expense, Adjusted Operating Margin, and Adjusted NOI

The tables on the following pages of this section summarize our adjusted property revenue, adjusted resident revenue, adjusted direct property operating expense, adjusted operating margin, and adjusted NOI, which are each non-GAAP measures, and also includes supplemental disclosure of our same property portfolio, our growth portfolio, and our repositioning portfolio. The supplemental disclosure of our same property portfolio, our growth portfolio, and our repositioning portfolio are non-GAAP measures and should not be construed as an alternative to GAAP measures. We use these groupings of properties to evaluate and monitor our financial and operating performance and we believe that this additional disclosure enhances the ability to understand and assess our results of operations and compare such results from period to period. Definitions for each of these portfolio groupings as well as the composition of the portfolio included in the respective grouping for the current reporting period are provided in the “Business Overview” section on page 5 of this MD&A.

The measure of profit or loss is adjusted NOI which is adjusted property revenue less adjusted direct property operating expense. Adjusted property revenue is property revenue plus Chartwell’s proportionate share of its joint ventures’ property revenue less property revenue from non-controlling interest. Adjusted property revenue is comprised of adjusted resident revenue and adjusted other property revenue. Adjusted direct property operating expense is direct property operating expense plus Chartwell’s proportionate share of its joint ventures’ direct property operating expense less direct operating expense from non-controlling interest.

REVPOS is adjusted resident revenue divided by the weighted average number of occupied suites for the applicable period. (Previously, REVPOS was reported as adjusted property revenue divided by the weighted average number of occupied suites for the applicable period). DOEPOS is adjusted direct property operating expense divided by the weighted average number of occupied suites for the applicable period. NOIPOS is adjusted NOI divided by the weighted average number of occupied suites for the applicable period. Such measures are used by management and are useful to investors for the same purposes as adjusted property revenue, adjusted resident revenue, adjusted NOI and adjusted direct property operating expense. Information regarding occupied suites is found in the “Per Occupied Suite” section on page 43 of this MD&A.

The following table reconciles property revenue and direct property operating expense from our financial statements to adjusted property revenue and adjusted direct property operating expense, and NOI to adjusted NOI, and identifies contributions from our same property, growth, and repositioning portfolios:

(\$000s, except occupancy rates)	Q4 2025	Q4 2024	Change	2025	2024	Change
Property revenue	292,258	218,445	73,813	1,079,035	799,923	279,112
<i>Add (Subtract):</i>						
Share from joint ventures ⁽¹⁾	11,468	39,485	(28,017)	54,726	142,430	(87,704)
Share from non-controlling interest ⁽²⁾	-	(1,382)	1,382	(3,070)	(2,710)	(360)
Adjusted property revenue ⁽³⁾	303,726	256,548	47,178	1,130,691	939,643	191,048
<i>Comprised of:</i>						
Same property ⁽³⁾	182,391	168,452	13,939	705,927	647,327	58,600
Growth ⁽³⁾	93,614	42,290	51,324	315,971	112,200	203,771
Repositioning ⁽³⁾	27,721	45,806	(18,085)	108,793	180,116	(71,323)
Adjusted property revenue ⁽³⁾	303,726	256,548	47,178	1,130,691	939,643	191,048
Resident revenue	287,861	214,699	73,162	1,061,351	784,266	277,085
<i>Add (Subtract):</i>						
Share from joint ventures ⁽¹⁾	11,355	39,136	(27,781)	54,139	141,050	(86,911)
Share from non-controlling interest ⁽²⁾	-	(1,364)	1,364	(3,028)	(2,673)	(355)
Adjusted resident revenue ⁽³⁾	299,216	252,471	46,745	1,112,462	922,643	189,819
<i>Comprised of:</i>						
Same property ⁽³⁾	179,526	165,273	14,253	694,304	634,103	60,201
Growth ⁽³⁾	92,125	41,697	50,428	310,792	110,687	200,105
Repositioning ⁽³⁾	27,565	45,501	(17,936)	107,366	177,853	(70,487)
Adjusted resident revenue ⁽³⁾	299,216	252,471	46,745	1,112,462	922,643	189,819
Other property revenue	4,397	3,746	651	17,684	15,657	2,027
<i>Add (Subtract):</i>						
Share from joint ventures ⁽¹⁾	113	349	(236)	587	1,380	(793)
Share from non-controlling interest ⁽²⁾	-	(18)	18	(42)	(37)	(5)
Adjusted other property revenue ⁽³⁾	4,510	4,077	433	18,229	17,000	1,229
<i>Comprised of:</i>						
Same property ⁽³⁾	2,865	3,179	(314)	11,623	13,224	(1,601)
Growth ⁽³⁾	1,489	593	896	5,179	1,513	3,666
Repositioning ⁽³⁾	156	305	(149)	1,427	2,263	(836)
Adjusted other property revenue ⁽³⁾	4,510	4,077	433	18,229	17,000	1,229
Direct property operating expense	174,944	138,707	36,237	650,076	509,179	140,897
<i>Add (Subtract):</i>						
Share from joint ventures ⁽⁴⁾	6,594	25,137	(18,543)	32,694	92,177	(59,483)
Share from non-controlling interest ⁽⁵⁾	-	(697)	697	(1,528)	(1,374)	(154)
Adjusted direct property operating expense ⁽³⁾	181,538	163,147	18,391	681,242	599,982	81,260
<i>Comprised of:</i>						
Same property ⁽³⁾	106,567	103,586	2,981	411,629	398,774	12,855
Growth ⁽³⁾	52,843	25,713	27,130	182,983	67,550	115,433
Repositioning ⁽³⁾	22,128	33,848	(11,720)	86,630	133,658	(47,028)
Adjusted direct property operating expense ⁽³⁾	181,538	163,147	18,391	681,242	599,982	81,260
NOI	117,314	79,738	37,576	428,959	290,744	138,215
<i>Add (Subtract):</i>						
Share from joint ventures	4,874	14,348	(9,474)	22,032	50,253	(28,221)
Share from non-controlling interest	-	(685)	685	(1,542)	(1,336)	(206)
Adjusted NOI ⁽³⁾	122,188	93,401	28,787	449,449	339,661	109,788
<i>Comprised of:</i>						
Same property ⁽³⁾	75,824	64,866	10,958	294,298	248,553	45,745
Growth ⁽³⁾	40,771	16,577	24,194	132,988	44,650	88,338
Repositioning ⁽³⁾	5,593	11,958	(6,365)	22,163	46,458	(24,295)
Adjusted NOI ⁽³⁾	122,188	93,401	28,787	449,449	339,661	109,788
Weighted average occupancy rate:						
Same property portfolio	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp
Growth portfolio	91.8%	88.4%	3.4pp	90.1%	87.5%	2.6pp
Repositioning portfolio	88.7%	84.0%	4.7pp	86.1%	83.8%	2.3pp
Total portfolio	93.0%	88.7%	4.3pp	90.7%	87.1%	3.6pp

(1) Non-GAAP; represents Chartwell's proportionate share of the property revenue of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 18 of this MD&A.

(2) Non-GAAP; represents Chartwell's proportionate share of the property revenue of our non-controlling interest as referenced in the notes to our Financial Statements.

(3) Non-GAAP; refer to the preamble to this table for explanations and discussion of the significance of these metrics.

(4) Non-GAAP; represents Chartwell's proportionate share of the direct property operating expense of our Equity-Accounted JVs as referenced in the notes to our Financial Statements and as described in the "Joint Arrangements" section on page 18 of this MD&A.

(5) Non-GAAP; represents Chartwell's proportionate share of the direct property operating expense of our non-controlling interest as referenced in the notes to our Financial Statements.

For 2025, adjusted property revenue increased 20.3% primarily due to:

- higher same property adjusted property revenue of 9.1%, and
 - higher revenue from our growth portfolio,
- partially offset by:

- lower revenue from our repositioning portfolio.

For 2025, adjusted direct property operating expense increased 13.5% primarily due to:

- higher same property adjusted direct property operating expense of 3.2%, and
 - additional direct property operating expenses in our growth portfolio,
- partially offset by:

- lower direct property operating expense from our repositioning portfolio.

As a result, for 2025, adjusted NOI increased \$109.8 million or 32.3%.

Fourth Quarter

For Q4 2025, adjusted property revenue increased 18.4% primarily due to:

- higher same property adjusted property revenue of 8.3%, and
- higher revenue from our growth portfolio,

partially offset by:

- lower revenue from our repositioning portfolio.

For Q4 2025, adjusted direct property operating expense increased 11.3% primarily due to:

- higher same property adjusted direct property operating expense of 2.9%, and
- additional direct property operating expenses in our growth portfolio,

partially offset by:

- lower direct property operating expense from our repositioning portfolio.

As a result, for Q4 2025, adjusted NOI increased \$28.8 million or 30.8%.

Same Property Performance

The following table summarizes the results of our same property portfolio as at December 31, 2025:

<i>(\$000s, except percentages)</i>	Q4 2025	Q4 2024	Change	2025	2024	Change
Same property⁽¹⁾						
Adjusted property revenue ⁽²⁾	182,391	168,452	13,939	705,927	647,327	58,600
Adjusted resident revenue ⁽²⁾	179,526	165,273	14,253	694,300	634,103	60,197
Adjusted other property revenue ⁽²⁾	2,865	3,170	(305)	11,627	13,222	(1,595)
Adjusted direct property operating expense ⁽²⁾	106,567	103,586	2,981	411,629	398,774	12,855
Adjusted NOI ⁽²⁾	75,824	64,866	10,958	294,298	248,553	45,745
Adjusted operating margin ⁽²⁾	41.6%	38.5%	3.1pp	41.7%	38.4%	3.3pp
Weighted average occupancy rate	94.7%	90.4%	4.3pp	92.8%	88.0%	4.8pp

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 5 of this MD&A for explanation of 'Same property' and the significance of this metric.

(2) Non-GAAP; refer to the preamble in this section for explanations of 'adjusted property revenue', 'adjusted resident revenue', 'adjusted direct property operating expense', 'adjusted NOI', and 'adjusted operating margin' for the significance of these metrics.

For 2025, same property adjusted resident revenue increased 9.5% primarily due to higher occupancy as well as a 3.8% increase in REVPOS.

For 2025, same property adjusted direct property operating expense increased 3.2% primarily due to higher staffing costs, food costs, management costs, office and general expenses, marketing expenses and utility expenses, partially offset by lower insurance expenses.

As a result, for 2025, same property adjusted NOI increased \$45.7 million or 18.4%. Same property adjusted operating margin also increased to 41.7% in 2025 from 38.4% in 2024.

The following identifies same property adjusted NOI trends by platform for 2025:

- Our Western Canada platform same property adjusted NOI increased \$11.6 million or 14.4%.
- Our Ontario platform same property adjusted NOI increased \$26.3 million or 19.0%.
- Our Quebec platform same property adjusted NOI increased \$7.8 million or 26.8%.

The following table summarizes our annual weighted average occupancy rates in our same property portfolio:

	2025	2024	Change
Western Canada	96.3%	92.6%	3.7pp
Ontario	90.7%	85.2%	5.5pp
Quebec	92.8%	88.4%	4.4pp
Same property portfolio	92.8%	88.0%	4.8pp

In 2025, weighted average occupancy in our same property portfolio was 92.8%, compared to 88.0% in 2024, an increase of 4.8 percentage points. All platforms experienced occupancy gains in 2025 compared to 2024.

Fourth Quarter

For Q4 2025, same property adjusted resident revenue increased 8.6% primarily due to higher occupancy and a 3.7% increase in REVPOS.

For Q4 2025, same property adjusted direct property operating expense increased 2.9% primarily due to higher staffing costs, food costs, management costs and marketing expenses partly offset by lower office and general expenses.

As a result, for Q4 2025, same property adjusted NOI increased \$11.0 million or 16.9%. Same property adjusted operating margin also increased to 41.6% in Q4 2025 from 38.5% in Q4 2024.

The following identifies same property adjusted NOI trends by platform for Q4 2025:

- Our Western Canada platform same property adjusted NOI increased \$3.0 million or 14.4%.
- Our Ontario platform same property adjusted NOI increased \$6.2 million or 17.1%.
- Our Quebec platform same property adjusted NOI increased \$1.8 million or 22.8%.

The following table summarizes our quarterly weighted average occupancy rates in our same property portfolio:

	Q4 2025	Q4 2024	Change	Q3 2025	Change
Western Canada	97.3%	94.8%	2.5pp	96.6%	0.7pp
Ontario	92.9%	87.7%	5.2pp	91.0%	1.9pp
Quebec	95.2%	90.8%	4.4pp	93.1%	2.1pp
Same property portfolio	94.7%	90.4%	4.3pp	93.1%	1.6pp

In Q4 2025, weighted average occupancy in our same property portfolio was 94.7%, compared to 90.4% in Q4 2024, an increase of 4.3 percentage points. All platforms experienced occupancy gains in Q4 2025 compared to Q4 2024 and compared to Q3 2025. Q4 2025 same property portfolio occupancy increased 1.6 percentage points from Q3 2025.

Management and Other Fees

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Welltower	-	1,894	(1,894)	611	7,842	(7,231)
Others	1,042	1,359	(317)	4,308	4,718	(410)
Total management and other fees	1,042	3,253	(2,211)	4,919	12,560	(7,641)

Management and other fees decreased \$7.6 million in 2025 and \$2.2 million in Q4 2025, primarily due to the Welltower Transaction completed in Q1 2025, partially offset by higher performance-based fees.

Interest Income

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Interest income on loans receivable	1,016	746	270	4,389	2,013	2,376
Other interest income	1,990	626	1,364	3,807	1,592	2,215
Total interest income	3,006	1,372	1,634	8,196	3,605	4,591

Interest income on loans receivable increased \$2.4 million in 2025 compared to 2024, primarily due to higher interest rates and higher average loan balances during the year and increased \$0.3 million in Q4 2025 compared to Q4 2024 primarily due to higher interest rates. This includes income from two mezzanine loans bearing interest rates of 13% and 14% as well as vendor take-back loans earning 6% - 10%.

On July 11, 2025, we advanced \$4.5 million mezzanine loan for the development of a retirement residence located in Calgary, Alberta. On November 12, 2025, an additional \$2.0 million mezzanine loan was advanced increasing the total mezzanine loan balance on this project to \$6.5 million.

Other interest income increased due to higher average cash balances during the period.

General, Administrative and Trust Expenses

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
G&A expenses	12,714	10,334	2,380	56,601	49,460	7,141

For 2025, G&A expenses increased \$7.1 million compared to 2024, of which \$6.1 million relates to higher compensation expense from estimated performance-based payments and to the increase in value of our Trust Units. The increase was partially offset by a \$1.0 million reduction in severance costs. 2025 expenses also include \$1.1 million of increased investment in technology projects compared to the prior year.

G&A expenses increased \$2.4 million in Q4 2025 compared to Q4 2024. Expenses increased from \$0.5 million of higher compensation expense related to estimated performance-based payments and to the increase in value of our Trust Units and \$0.4 million of higher severance costs. We also continued to invest in our technology platforms which resulted in an increase of \$0.6 million in Q4 2025 compared to the prior year.

Finance Costs

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Contractual interest expense on mortgages	20,651	18,192	2,459	79,902	62,631	17,271
Comprised of:						
Same property ⁽¹⁾	10,915	11,515	(600)	44,415	42,269	2,146
Growth ⁽¹⁾	9,074	4,901	4,173	32,422	12,028	20,394
Repositioning ⁽¹⁾	662	1,776	(1,114)	3,065	8,334	(5,269)
Interest expense on Debentures ⁽²⁾	9,553	6,589	2,964	37,032	22,539	14,493
Interest expense on Credit Facilities	379	1,243	(864)	3,090	8,710	(5,620)
Interest expense on Loans Payable ⁽³⁾	-	2,840	(2,840)	1,432	10,818	(9,386)
	30,583	28,864	1,719	121,456	104,698	16,758
Amortization of finance costs and mark-to-market adjustments on assumed mortgages	1,603	536	1,067	6,118	3,545	2,573
	32,186	29,400	2,786	127,574	108,243	19,331
Interest capitalized to properties under development	(259)	(811)	552	(2,516)	(2,862)	346
Distributions on Class B Units recorded as interest expense	223	231	(8)	898	927	(29)
Total finance costs	32,150	28,820	3,330	125,956	106,308	19,648

(1) Non-GAAP; refer to the "Property Portfolio Groupings" section on page 5 of this MD&A for explanations of 'Same property', 'Growth', and 'Repositioning' and the significance of these metrics.

(2) "Debentures" refers collectively to the "Series B Debentures", the "Series C Debentures", the "Series D Debentures", the "Series E Debentures", and the "Series F Debentures". Refer to the "Liquidity and Capital Resources/Debt/Debentures" section on page 32 of this MD&A for details.

(3) "Loans Payable" refers collectively to the 'unsecured term loan', the 'Welltower Loan 1', and the 'Welltower Loan 2'. Refer to the "Liquidity and Capital Resources/Debt/Loans Payable" section on page 31 of this MD&A for details.

Contractual interest expense on mortgages increased \$17.3 million and \$2.5 million in 2025 and Q4 2025, respectively, primarily due to higher balances outstanding during the period, partially offset by lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Mortgage Debt” section on page 30 of this MD&A for details.

Interest expense on Debentures increased \$14.5 million and \$3.0 million in 2025 and Q4 2025, respectively, primarily due to higher balances outstanding with the new instruments issued partially offset by lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Debentures” section on page 32 of this MD&A for details.

Interest expense on Credit Facilities decreased \$5.6 million and \$0.9 million in 2025 and Q4 2025, respectively, primarily due to lower balances outstanding and lower interest rates. Refer to the “Liquidity and Capital Resources/Debt/Credit Facilities” section on page 31 of this MD&A for details.

Interest expense on Loans Payable decreased in 2025 and Q4 2025, primarily due to the repayment of the outstanding term loan and Welltower loans. Refer to the “Liquidity and Capital Resources/Debt/Loans Payable” section on page 31 of this MD&A for details.

The following table provides supplemental information related to finance costs for our Equity-Accounted JVs:

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Contractual interest expense on mortgages	604	618	(14)	2,448	2,084	364
Comprised of:						
Same property ⁽¹⁾	235	238	(3)	933	954	(21)
Growth ⁽¹⁾	369	380	(11)	1,515	1,130	385
Amortization of finance costs	8	8	-	32	49	(17)
Total finance costs	612	626	(14)	2,480	2,133	347

(1) Non-GAAP; refer to the “Property Portfolio Groupings” section on page 5 of this MD&A for explanations of ‘Same property’ and ‘Growth’ and the significance of these metrics.

Other Income/(Expense)

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Transaction costs arising on dispositions	(266)	(491)	225	(6,719)	(5,518)	(1,201)
Impairment reversal, net	11,000	-	11,000	12,963	-	12,963
Gain/(loss) on disposal of assets	1,128	(941)	2,069	62,918	53,963	8,955
Other income	-	-	-	-	1,412	(1,412)
Other expense	(45)	(604)	559	(787)	(1,207)	420
Total other income/(expense)	11,817	(2,036)	13,853	68,375	48,650	19,725

Transaction costs arising on dispositions are expensed as incurred and fluctuate from period to period based on the timing and volume of transactions.

Impairment reversal of \$13.0 million and \$11.0 million in 2025 and Q4 2025, relates to a reversal of previously recognized impairment expense on one non-core property in Ontario, partially offset by an impairment charge on another non-core property in Quebec in Q3 2025.

Gain on disposal of assets increased \$8.9 million in 2025 and \$2.1 million in Q4 2025 primarily due to the completion of the Welltower Transaction in Q1 2025.

Other income of \$1.4 million in 2024 is due to one-time retroactive funding related to the previously disposed long term care segment.

Other Items

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Depreciation of PP&E and amortization of intangible assets	(72,092)	(49,710)	(22,382)	(247,248)	(168,566)	(78,682)
Change in fair value of financial instruments	(4,528)	1,660	(6,188)	(24,348)	(19,875)	(4,473)
Current income tax benefit/expense	2,535	2,744	(209)	(1,066)	255	(1,321)
Deferred income tax benefit/(expense)	(11,492)	(7,166)	(4,326)	(43,675)	(34,752)	(8,923)

Depreciation of PP&E and amortization of intangible assets increased \$78.7 million in 2025 and \$22.4 million in Q4 2025, primarily due to acquisitions.

Change in fair value of financial instruments is primarily a result of changes in the market value of the underlying financial instruments. These amounts are expected to fluctuate from period to period due to changes in financial markets.

The 2025 current income tax expense primarily relates to estimated tax payable on the completed Welltower Transaction and the 2024 current income tax benefit primarily related to the recovery of SIFT tax associated with the disposition of non-core properties. Current tax benefit of \$2.5 million in Q4 2025 primarily relates to an adjustment to the estimated tax payable on the completed Welltower Transaction, whereas Q4 2024 reflects an adjustment to the SIFT tax payable on the disposition of non-core properties.

Deferred income tax expense increased by \$8.9 million and \$4.3 million in 2025 and Q4 2025, respectively, primarily due to the reversal of temporary differences on PP&E and fair value adjustments.

Cash Flow Analysis

The following table summarizes the significant changes in our operating, financing, and investing cash flows between 2025 and 2024 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) (\$millions)	Explanation
Operating activities	129.1	Change in cash flows from operating activities is primarily due to: <ul style="list-style-type: none"> higher NOI, and changes in working capital, partially offset by: <ul style="list-style-type: none"> higher interest paid.
Financing activities	183.9	Change in cash flows from financing activities is primarily due to: <ul style="list-style-type: none"> higher proceeds from the ATM Programs, higher proceeds from mortgage financing activities, and higher proceeds from the senior unsecured debentures, partially offset by: <ul style="list-style-type: none"> no proceeds from the offerings of Trust Units in 2025 as compared to offerings of Trust Units in 2024, higher mortgage repayments, repayments of loans payable in 2025 as compared to proceeds from loans payable in 2024, repayments on our Credit facilities in 2025 as compared to draws on our Credit facilities in 2024, higher additions to finance costs, and higher distributions due to additional Trust Units issued.
Investing activities	(219.4)	Change in cash flows from investing activities is primarily due to: <ul style="list-style-type: none"> higher acquisitions of assets, higher additions to PP&E and intangible assets, lower proceeds from disposition of PP&E, and no restricted cash in 2025 as compared to restricted cash in 2024, and lower distributions received from joint ventures, partially offset by: <ul style="list-style-type: none"> lower income tax paid, lower advances on loans receivables, and lower contributions to joint ventures.

The following table summarizes the significant changes in our operating, financing, and investing cash flows between Q4 2025 and Q4 2024 using our consolidated statements of cash flows:

Cash Provided by (Used in):	Increase (Decrease) <i>(\$millions)</i>	Explanation
Operating activities	36.9	Change in cash flows from operating activities is primarily due to: <ul style="list-style-type: none"> • higher NOI, and • changes in working capital, partially offset by: <ul style="list-style-type: none"> • higher interest paid.
Financing activities	85.6	Change in cash flows from financing activities is primarily due to: <ul style="list-style-type: none"> • proceeds from the ATM Programs, • higher proceeds from mortgage financing activities, and • no repayments of loans payable in Q4 2025 as compared to repayments of loans payable in Q4 2024, partially offset by: <ul style="list-style-type: none"> • repayments of senior unsecured debentures, • higher mortgage repayments, • no draws from our Credit facilities in Q4 2025 as compared to draws from our Credit facilities in Q4 2024, • higher additions to finance costs, and • higher distributions due to additional Trust Units issued.
Investing activities	(291.8)	Change in cash flows from investing activities is primarily due to: <ul style="list-style-type: none"> • higher acquisitions of assets, • higher additions to PP&E and intangible assets, • no restricted cash in Q4 2025 as compared to restricted cash in Q4 2024, and • lower distributions received from joint ventures, partially offset by: <ul style="list-style-type: none"> • lower advances on loans receivables, • lower contributions to joint ventures, and • lower income taxes paid.

Liquidity and Capital Resources

Liquidity

Our liquidity and capital resources are used to fund capital investments in our properties, development and acquisition activities, servicing of our debt obligations, and distributions to our unitholders. Our principal source of liquidity is net operating income generated from our property operations. We also finance our business, subject to market conditions, through the use of property-specific mortgages, secured and unsecured credit facilities, secured and unsecured term loans, senior unsecured debentures and equity financing.

At December 31, 2025, our liquidity was \$504.0 million as presented in the following table:

<i>(\$000s)</i>	December 31, 2025	December 31, 2024
Cash and cash equivalents	109,132	20,048
Available under Credit Facilities ⁽¹⁾	394,911	294,247
Total	504,043	314,295

(1) Refer to the "Credit Facilities" section on page of this MD&A for the determination and calculation of this amount.

In addition, at December 31, 2025, our share of cash and cash equivalents held in our Equity-Accounted JVs was \$4.9 million.

As at December 31, 2025, our current liabilities were \$862.3 million, exceeding our current assets of \$171.7 million, resulting in a working capital deficiency of \$690.6 million. Current liabilities include \$330.3 million of mortgages payable and \$249.7 million of senior unsecured debentures. Excluding current mortgages payable and current senior unsecured debentures, Chartwell's working capital deficiency is \$110.6 million.

We expect to refinance or repay this maturing debt and meet all of our other obligations as they become due. We may utilize some or all of the following sources of liquidity, subject to market conditions:

- (i) cash flow generated from our operations,
- (ii) proceeds from non-core asset sales,
- (iii) property-specific mortgages,
- (iv) secured and unsecured credit facilities,
- (v) secured and unsecured loans,
- (vi) debentures, and
- (vii) new equity financing.

Debt

Our debt portfolio currently consists of property-specific mortgages, Credit Facilities, Loans Payable, and Debentures. Our debt management objective is to maximize financial flexibility, maintain a strong balance sheet and stagger our maturities by:

- accessing low-cost, long term, fixed-rate debt and short-term, variable-rate financing,
- managing interest rate risk by spreading debt maturities over time,
- proactively managing our short-term maturities and where appropriate, refinancing maturing mortgages with long term debt, and
- growing our unencumbered asset pool.

The following table summarizes the components of the principal balance of our debt at December 31, 2025 and December 31, 2024:

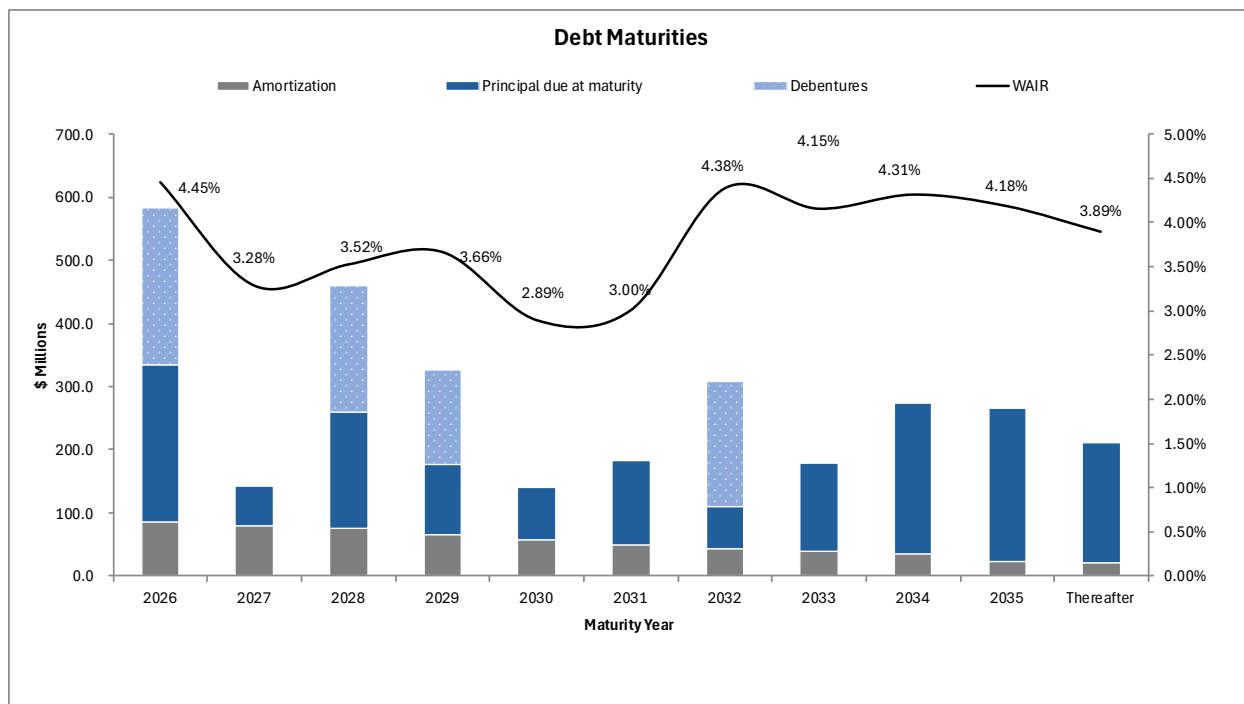
(\$000s)	December 31, 2025	December 31, 2024
Mortgages payable	2,272,320	1,852,274
Credit Facilities	-	100,000
Loans Payable		
Unsecured term loan	-	75,000
Welltower Loan 1	-	33,323
Welltower Loan 2	-	40,665
Debentures		
Series B Debentures	-	150,000
Series C Debentures	250,000	250,000
Series D Debentures	150,000	150,000
Series E Debentures	200,000	-
Series F Debentures	200,000	-
Total	3,072,320	2,651,262

The following table summarizes the scheduled principal maturity and weighted average interest rates for our debt portfolio at December 31, 2025:

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Mortgages	Weighted Average Interest Rate ⁽¹⁾	Credit Facilities	Weighted Average Interest Rate	Loans Payable	Weighted Average Interest Rate ⁽¹⁾	Debentures	Weighted Average Interest Rate	Total	Consolidated Weighted Average Interest Rate
2026	84,681	249,162	333,843	3.29%	-	-	-	-	250,000	6.00%	583,843	4.45%
2027	79,347	62,036	141,383	3.28%	-	-	-	-	-	-	141,383	3.28%
2028	75,956	183,677	259,633	3.42%	-	-	-	-	200,000	3.65%	459,633	3.52%
2029	65,219	111,590	176,809	3.03%	-	-	-	-	150,000	4.40%	326,809	3.66%
2030	57,966	82,278	140,244	2.89%	-	-	-	-	-	-	140,244	2.89%
2031	49,631	133,360	182,991	3.00%	-	-	-	-	-	-	182,991	3.00%
2032	43,869	65,133	109,002	4.17%	-	-	-	-	200,000	4.50%	309,002	4.38%
2033	39,353	139,948	179,301	4.15%	-	-	-	-	-	-	179,301	4.15%
2034	35,413	237,696	273,109	4.31%	-	-	-	-	-	-	273,109	4.31%
2035	22,354	242,821	265,175	4.18%	-	-	-	-	-	-	265,175	4.18%
Thereafter	21,583	189,247	210,830	3.89%	-	-	-	-	-	-	210,830	3.89%
Total	575,372	1,696,948	2,272,320	3.63%	-	-	-	-	800,000	4.74%	3,072,320	3.92%

(1) For variable rate instruments, the weighted average interest rate in 2025 is based on the 2025 weighted average interest rate.

The following chart provides a breakdown of our debt maturities at December 31, 2025:



Mortgage Debt

We generally have access to low-cost mortgage financing insured by CMHC. As of December 31, 2025, approximately 95% of our mortgage debt was CMHC insured. We intend to continue financing our properties through this program including, for those properties operating at high occupancy levels, converting conventional mortgages to CMHC debt and placing mortgages on certain currently unencumbered properties.

The following table summarizes the changes in the principal balance of our mortgage debt portfolio in 2025:

	Balance (\$000s)	Weighted Average Term to Maturity (Years)	Weighted Average Interest Rate	% CMHC Insured
Principal balance at December 31, 2024	1,852,274	5.8	3.86%	82%
Repaid in the period	(347,580)	N/A	4.32%	9%
Assumed mortgages	220,566	3.2	2.95%	91%
New mortgage financing	626,101	8.2	4.04%	86%
Amortizing principal payments	(79,041)	N/A	N/A	N/A
Principal balance at December 31, 2025	2,272,320	6.5	3.63%	95%
Mark-to-market adjustments on assumed mortgages	131			
Finance costs	(90,290)			
Mortgages payable at December 31, 2025	2,182,161			

Assumed mortgages include \$201.2 million of CMHC-insured mortgages related to the acquisition of properties, as well as two construction loans bearing interest at 6.16% and 2.78% which were repaid in Q2 2025, and Q4 2025.

New mortgage financing includes refinancing on three properties and ten new CMHC-insured mortgages, maturing in 2031 to 2036 with a weighted average interest rate of 4.04%.

The following table provides select financial statistics for our mortgage debt portfolio:

	At December 31, 2025			At December 31, 2024	
	Fixed Rate	Variable Rate	Total	Total	Total
Principal amount (\$000s)	2,232,733	39,587	2,272,320		1,852,274
Weighted average interest rate	3.61	4.57	3.63%		3.86%
Average term to maturity (years)	6.6	0.1	6.5		5.8

The following tables are supplemental information and summarize the components of our mortgage debt portfolio for our Equity-Accounted JVs:

(\$000s)	December 31, 2025	December 31, 2024
Principal balance of mortgages payable	48,385	49,594
Finance costs	(71)	(98)
Mortgages payable	48,314	49,496

(\$000s)	Amortizing Principal Payments	Principal Due at Maturity	Total Principal Balance of Mortgages Payable	Weighted Average Interest Rate
2026	267	48,118	48,385	4.93%

Credit Facilities

The following table summarizes the available borrowing capacity and borrowings on our Credit Facilities at December 31, 2025:

(\$000s)	Maximum Capacity	Available Capacity	Utilized for Letters of Credit	Net Available Capacity	Borrowed	Available Borrowing Capacity	Maturity Date
Secured credit facility ⁽¹⁾	300,000	300,000	(5,089)	294,911	-	294,911	May 29, 2029
Unsecured credit facility ⁽²⁾	100,000	100,000	-	100,000	-	100,000	May 29, 2029
Total Credit Facilities	400,000	400,000	(5,089)	394,911	-	394,911	

(1) Available capacity is determined based on a formula that considers the lending value of the properties included in the secured asset pool. The factors impacting the lending value formula include property valuations, the mortgageability amount determined on the basis of NOI for the previous four quarters, and the secured collateral.

(2) An option to increase borrowing capacity by an additional \$50.0 million is available, subject to certain conditions.

On June 3, 2025, we entered into amending agreements to extend the maturity date of the secured and unsecured credit facility from May 29, 2027 to May 29, 2029. The amending agreement included a 10 bps reduction of interest applicable to the secured credit facility. At the current BBB(low) rating by DBRS, last confirmed by DBRS on September 30, 2025, amounts borrowed under the secured credit facility bear interest at the banks' prime rate ("Prime") plus 55 bps or CORRA plus 155 bps plus credit spread adjustment, and amounts borrowed under the unsecured credit facility bear interest at Prime plus 70 bps or CORRA plus 170 bps plus credit spread adjustment. The secured credit facility is secured by first and second ranked charges on specific properties. The cost of our Credit Facilities is based on our credit rating.

Loans Payable

During Q1 2025, all loans payable were fully repaid.

The following table summarizes our Loans Payable as at December 31, 2024:

December 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Unsecured term loan ⁽¹⁾	75,000	(16)	74,984	5.62%	January 22, 2025
Welltower Loan 1 ⁽²⁾	33,323	-	33,323	6.71%	February 14, 2025
Welltower Loan 2 ⁽¹⁾	40,665	-	40,665	6.85%	February 15, 2025
Total	148,988	(16)	148,972		

(1) Repaid on maturity.

(2) Repaid on the closing of the Welltower Transaction on February 1, 2025.

Debentures

The following tables summarize our Debentures outstanding as at December 31, 2025 and December 31, 2024:

December 31, 2025	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series C Debentures	250,000	(311)	249,689	6.000%	December 8, 2026
Series D Debentures	150,000	(879)	149,121	4.400%	November 5, 2029
Series E Debentures	200,000	(772)	199,228	3.650%	May 6, 2028
Series F Debentures	200,000	(870)	199,130	4.500%	March 6, 2032
Total	800,000	(2,832)	797,168		

December 31, 2024	Outstanding Principal (\$000s)	Financing Costs, Net (\$000s)	Carrying Value (\$000s)	Interest rate	Maturity date
Series B Debentures	150,000	(47)	149,953	4.211%	April 28, 2025
Series C Debentures	250,000	(652)	249,348	6.000%	December 8, 2026
Series D Debentures	150,000	(990)	149,010	4.400%	November 5, 2029
Total	550,000	(1,689)	548,311		

On March 6, 2025, we issued \$200.0 million of 3.650% Series E Debentures due on May 6, 2028.

On March 6, 2025, we issued \$200.0 million of 4.500% Series F Debentures due on March 6, 2032.

On April 28, 2025, we repaid \$150.0 million of Series B Debentures.

Debt Covenants

Our Credit Facilities, Loans Payable, and Debentures contain numerous financial covenants that include maintaining certain leverage and debt service ratios (collectively, our “Debt Covenants”). Management monitors these ratios on an ongoing basis to ensure compliance. As of December 31, 2025, we were in compliance with all of our Debt Covenants.

The following table summarizes our compliance with the leverage and coverage ratios as they relate to our Debentures, and other key debt metrics:

	Covenant	December 31, 2025	December 31, 2024
Interest Coverage Ratio ⁽¹⁾	minimum of 1.65x	3.5x	2.7x
Indebtedness Percentage ⁽²⁾	less than or equal to 65%	45.3%	49.3%
Coverage Ratio ⁽³⁾	not less than 1.3x	2.6x	1.7x
Debt Service Coverage Ratio ⁽⁴⁾	minimum of 1.40x	2.0x	1.7x
Net Debt to Adjusted EBITDA ⁽⁵⁾	n/a	6.9x	8.4x

(1) Calculated based on 12 months ended December 31, 2025; and 12 months ended December 31, 2024. Refer to the “Debt Covenant Calculations/Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures (“Interest Coverage Ratio for Debentures”)” section on page 43 of this MD&A for the calculation of Interest Coverage Ratio.

(2) Refer to the “Debt Covenant Calculations/Indebtedness Percentage for Debentures” section on page 43 of this MD&A for the calculation of Indebtedness Percentage.

(3) Refer to the “Debt Covenant Calculations/Unsecured Debt Coverage Ratio for Debentures” section on page 44 of this MD&A for the calculation of Coverage Ratio.

(4) Calculated based on 12 months ended December 31, 2025; and 12 months ended December 31, 2024. Refer to the “Debt Covenant Calculations/Debt Service Coverage Ratio for Credit Facilities and Loans Payable” section on page 44 of this MD&A for the calculation of Debt Service Coverage Ratio.

(5) Refer to the “Debt Covenant Calculations/Net Debt to Adjusted EBITDA” section on page 44 of this MD&A for the calculation of Net Debt to Adjusted EBITDA.

Total Units Outstanding and Distributions

The following table summarizes changes in the number of outstanding units during 2025:

	Trust Units	Trust Units under EUPP	Class B Units	DTUs	Total Units Outstanding ⁽¹⁾
Balance December 31, 2024	272,568,524	1,817,188	1,509,360	863,215	276,758,287
Trust Units issued pursuant to Distribution Reinvestment Program ("DRIP")	2,826,431	-	-	-	2,826,431
Trust Units issued under the ATM program	38,894,442	-	-	-	38,894,442
Trust Units issued under EUPP	-	139,085	-	-	139,085
Trust Units released on settlement of EUPP receivable	154,898	(154,898)	-	-	-
Exchange of Class B Units into Trust Units	54,950	-	(54,950)	-	-
DTUs issued	-	-	-	53,760	53,760
Distributions on DTUs	-	-	-	28,664	28,664
Exchange of DTUs into Trust Units	137,944	-	-	(137,944)	-
Balance December 31, 2025	314,637,189	1,801,375	1,454,410	807,695	318,700,669

(1) Non-GAAP; includes Class B Units and DTUs which are classified as liabilities in our Financial Statements.

As of February 26, 2026, the Trust has 316,879,421 Trust Units outstanding, and Chartwell Master Care LP has 1,447,910 Class B Units outstanding which are exchangeable for 1,447,910 Trust Units.

Distributions

The following table summarizes distributions declared on Trust Units in Q4 2025, 2025, 2024, and 2023 in relation to cash flows from operating activities and net income/(loss):

(\$000s)	Q4 2025	2025	2024	2023
Cash flows from operating activities	91,383	329,931	200,850	157,425
Net income attributable to Unitholders	7,244	29,413	22,408	128,273
Finance costs included in cash flow from financing activities	(15,873)	(40,388)	(19,491)	(9,212)
Distributions declared on Trust Units	47,395	178,797	158,516	146,037
Excess/(deficit) of cash flows from operating activities over distributions declared on Trust Units	43,988	151,134	42,334	11,388
Excess/(deficit) of cash flows from operating activities less finance costs included in cash flow from financing activities over distributions declared on Trust Units	28,115	110,746	22,843	2,176
Deficit of net income attributable to unitholders over distributions declared on Trust Units	(40,151)	(149,384)	(136,108)	(17,764)

The declaration and payment of future distributions is at the discretion of the Board of Trustees of Chartwell (the "Trustees"). The Trustees rely upon forward-looking cash flow information including forecasts and budgets, results of operations, requirements for capital expenditures and working capital, future financial prospects of the Trust, debt covenants and obligations, and any other factors considered relevant by them in setting the distribution rate. The Trustees do not use net income/(loss) as determined in accordance with GAAP as the basis for establishing the level of distributions to unitholders as it includes items that we do not believe are informative or reflective of the factors described above that are used in and considered relevant in setting the distribution rate. The items that are included in net income/(loss) and are not used or considered relevant include, among other items, distributions on Class B Units which are recorded as interest expense, non-cash depreciation and amortization, changes in fair values of certain liabilities and impairment losses. We believe that, with the appropriate level of capital reinvestment in our properties, their income-generating potential does not generally diminish over time.

We achieved positive operating cash flows after distributions and finance costs in both 2025 and 2024, reflecting the success of our operational sales, marketing, and portfolio optimization strategies.

On February 26, 2026, the Trustees approved an increase in our monthly distributions from \$0.051 per unit (\$0.612 annualized) to \$0.052 per unit (\$0.624 annualized). The increase will be effective for the March 31, 2026 distribution payable on April 15, 2026.

Unitholders who are Canadian residents are eligible to participate in our DRIP, which allows reinvestment of their distributions into new units of Chartwell, including a 3% bonus distribution with no commissions. This facilitates unitholders' ability to realize the benefits of compound growth in their investment. Unitholders can enroll in our DRIP by contacting their investment advisor. In 2025, our average DRIP participation was 27.5% compared to 26.3% participation in 2024.

Capital Investments

In normal circumstances, we regularly reinvest capital in our owned property portfolio with the goal of growing our property NOI and protecting and maintaining our properties.

The following table summarizes our capital investments in 2025 and 2024:

(\$000s)	2025	2024
Building improvements	33,327	29,436
Mechanical and electrical	22,694	14,706
Suite improvements and upgrades	29,594	25,767
Interior improvements and upgrades	8,347	7,934
Furniture, fixtures and equipment	10,205	14,327
Communications and information systems	6,929	355
Properties under development ⁽¹⁾	111,096	92,525
Total capital investments ⁽²⁾	138,083	101,177

(1) Net of \$10.1 million development funding grant based on costs incurred to date on a completed development.

(2) Includes 144 properties (24,782 suites) at Chartwell's share of ownership for 2025, and 171 properties (22,301 suites) at Chartwell's share of ownership for 2024.

The following table is supplemental information and summarizes capital investments in our Equity-Accounted JVs in 2025 and 2024 not included in the table above:

(\$000s)	2025	2024
Capital investments in Equity-Accounted JVs	1,025	2,365

Building Improvements

This category primarily includes investments in facades, balconies, garages, elevators and parking lots. In addition to preserving the existing revenue generating capacity and value of our properties, these investments support occupancy growth due to improved physical appearance of the property, growth in ancillary property revenues (e.g., parking rates) and operating cost savings (e.g., energy efficient windows and doors, improved building insulation).

For 2025, we completed 114 major building improvement projects valued over \$50,000 each, totalling \$29.9 million (2024 – 94 projects totalling \$28.2 million). In addition, included in this category are the acquisitions of five condominium suites at two of our properties in British Columbia totalling \$2.4 million.

Mechanical and Electrical

This category primarily includes investments in heating, air conditioning and ventilation systems, fire safety systems, including sprinklers and lighting systems. These investments are generally expected to result in energy cost savings and lower equipment maintenance costs over time.

For 2025, we completed 104 major mechanical and electrical projects valued over \$50,000 each, totalling \$20.9 million (2024 – 94 projects totalling \$14.2 million).

Suite Improvements and Upgrades

This category includes capital investments in resident suites. We have developed and implemented a program of strategic capital allocation to resident suite upgrades. These discretionary investments are made to improve the competitive position of our properties in the market and to allow for higher rental rate increases on suite turnover. In most cases, in addition to regular painting, resident suite upgrades include flooring upgrades and/or full renovations of bathrooms and kitchens.

For 2025, we invested in strategic suite upgrade programs in 52 properties (2024 – 53 properties).

Interior Improvements and Upgrades

This category includes investments in common areas of our properties that are made primarily to improve their marketability and improved functionality for our residents. These investments include upgrades to property resident amenity areas, such as hallways, dining rooms, lounges, theatres, etc.

For 2025, we invested in strategic common area upgrade programs in 41 properties (2024 – 51 properties).

Furniture, Fixtures and Equipment

This category primarily includes investments in resident common area and model suite furnishings and equipment, including upgrades to commercial kitchens and investments in resident transportation programs. These investments are primarily made to improve the competitiveness of our properties and to provide enhanced services to our residents.

Communication and Information Services

This category includes investments in telecommunication systems, including emergency call systems and computer hardware.

Balance Sheet Analysis

The following table summarizes the significant changes in assets, liabilities, and equity for December 31, 2025 compared to December 31, 2024.

	Increase (Decrease) <i>(\$millions)</i>	Explanation
Total assets	957.9	Total assets increased primarily due to increases in PP&E from acquisitions, cash, capital funding receivable and trade and other receivables partially offset by decreases in assets held for sale, loans receivables, other assets, investment in joint ventures and intangible assets.
Total liabilities	337.7	Total liabilities increased primarily due to increases in mortgages payable, senior unsecured debentures, accounts payable, deferred tax liabilities, other liabilities and distribution payable partially offset by lower liabilities related to assets held for sale, loans payable and credit facilities.
Equity	620.2	The increase in equity is primarily due to the issuance of Trust Units under the ATM program, DRIP and net income for the period, partially offset by distributions and issuance costs, net of tax.

Commitments and Contingencies

Contractual Obligations and Guarantees

The following table summarizes the maturities on major financial liabilities as at December 31, 2025, excluding future interest payments and put option commitments:

(\$000s)	Contractual Value	2026	2027	2028	2029	2030	Thereafter
Mortgages payable	2,272,320	333,843	141,383	259,633	176,809	140,244	1,220,408
Senior unsecured debentures	800,000	250,000	-	200,000	150,000	-	200,000
Accounts payable and accrued liabilities	184,438	178,038	-	6,400	-	-	-
Distributions payable	16,213	16,213	-	-	-	-	-
Resident deposits	8,953	8,953	-	-	-	-	-
Lease obligations	8,039	984	373	116	25	-	6,541
Total maturities	3,289,963	788,031	141,756	466,149	326,834	140,244	1,426,949

Lease obligations relate to leases of land, office space and equipment.

We have entered into various construction contracts related to our development projects. As at December 31, 2025, the remaining commitments under these contracts amounted to approximately \$58.6 million (2024 - \$2.6 million).

Guarantees

As of December 31, 2025, together with our partners we have jointly and severally guaranteed loans on certain joint arrangements to an aggregate maximum amount of \$588.2 million. As at December 31, 2025, outstanding balances on these loans were \$529.6 million.

Other Contracts

Upon achievement of certain conditions, Batimo may require us to acquire an 85% interest in their development properties which we manage and for which, in some cases, have provided mezzanine loans.

As of December 31, 2025, there was one Batimo project that is subject to this arrangement as Chartwell Le Montcalm (283 suites) has achieved the occupancy threshold giving effect to the Batimo put rights. A summary and status of Batimo project is provided under the "Significant Events/Projects by Batimo" section on page 13 of this MD&A.

Letters of Credit

As at December 31, 2025, we were contingently liable for letters of credit in the amount of \$5.1 million.

Litigation, Claims and Contingencies

Class Action

On June 1, August 14, and October 5, 2020, Chartwell was served with three different statements of claims (the "Claims") that were filed in the Ontario Superior Court of Justice, all seeking an order certifying the Claims as class actions pursuant to the *Class Proceedings Act (Ontario)*. In January 2022, the Court consolidated the Claims into one proceeding (the "Consolidated Claim"). The Consolidated Claim alleges, among other things, gross negligence, breach of the Canadian Charter of Rights and Freedom, breach of contract and breach of fiduciary duty in respect of Chartwell's response to the pandemic. The plaintiffs are seeking \$100.0 million in general damages and \$10.0 million in aggravated, punitive and/or exemplary damages. We do not believe that the Claims or the damages sought have merit.

On November 20, 2020, the Ontario government enacted the *Supporting Ontario's Recovery Act* (the "Recovery Act"). Under the Recovery Act, which is retroactive to March 17, 2020, proceedings are barred and dismissed without costs if they allege injury by COVID-19 if the defendant made good faith efforts to follow public health guidance and COVID-19 related laws and did not act with gross negligence. On March 7, 2024, the Consolidated Claim was certified, but pursuant to the Recovery Act, only gross negligence claims survive the cause of action test. The litigation is currently in the documentary discovery process. We do not believe the outcome will have a material adverse impact on our business, results of operations or financial condition and believe that any potential liability would be resolved within the limits of our insurance coverage.

Pay Equity

Certain Ontario LTC homes achieved pay equity by 2005 under a sector framework that used the "proxy" method, with the Ontario government directly funding the related obligations. In subsequent litigation commenced in 2010, unions asserted that additional adjustments were required to maintain pay equity. Although the Ontario Pay Equity Tribunal (the "Tribunal") found generally in favour of the participating LTC homes, appellate courts later found in favour of unions and directed the Tribunal. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

Chartwell owns or previously owned four Ontario LTC homes that are respondents to this decision and previously owned seven additional Ontario LTC homes that also used the proxy method and could also be affected. Although Chartwell completed the sale of its LTC operations in 2023, it continues to participate in sector discussions with unions, other LTC homes and the Ontario government regarding an appropriate pay equity maintenance framework.

There are significant uncertainties regarding how the decision will be implemented, including the scope of any required pay equity adjustments, the methodology and timing for implementation, and the ultimate financial impact on Chartwell. Discussions among the affected parties have not meaningfully progressed. As a result, Chartwell cannot currently reliably estimate any potential liability. Chartwell expects that any required pay equity adjustments will be fully funded by the Ontario government; however there is no assurance that such funding will be provided in full or on a timely basis. No liability for potential pay equity adjustments, or related recovery from the Ontario government, has been recognized in Chartwell's financial statements. Any requirement to fund pay equity adjustments, in whole or in part, could increase Chartwell's labour costs and adversely affect its financial condition and results of operations.

Summary of Select Financial Information

Annual Financial Information

The following table summarizes selected annual financial information for each of the past three years:

(\$000s, except per unit amounts)	2025	2024	2023
Property revenue	1,079,035	799,923	687,324
Total revenues	1,108,517	852,147	738,554
Direct property operating expense	650,076	509,179	463,361
Net income	29,495	22,378	128,273
Total assets	5,044,977	4,087,069	3,234,076
Total non-current liabilities	2,489,047	1,927,776	1,681,845
Total liabilities	3,351,393	3,013,688	2,442,615
Distributions declared per unit	0.6120	0.6120	0.6120

Our annual results for the past three years have been primarily affected by acquisitions, developments, and dispositions. Our 2023 results were impacted by the pandemic. Refer to the “2026 Outlook” section on page 9 of this MD&A.

Quarterly Financial Information

The following table summarizes our quarterly unaudited financial information:

(\$000s, except per unit amounts and number of units)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenues	300,287	282,174	273,158	252,898	232,699	220,464	202,401	196,583
Direct property operating expense	(174,944)	(165,393)	(159,683)	(150,056)	(138,707)	(128,389)	(120,709)	(121,374)
Depreciation and amortization	(72,092)	(61,865)	(60,133)	(53,158)	(49,710)	(43,530)	(39,369)	(35,957)
Share of net income/(loss) from joint ventures	525	294	146	608	3,214	2,946	1,939	1,367
G&A expenses	(12,714)	(12,678)	(14,126)	(17,083)	(10,334)	(11,731)	(12,924)	(14,471)
Other income/(expense)	11,817	571	173	55,814	(2,036)	54,152	(2,112)	(1,354)
Finance costs	(32,150)	(31,339)	(31,859)	(30,608)	(28,820)	(28,351)	(26,359)	(22,778)
Changes in fair value of financial instruments	(4,528)	(6,733)	(7,608)	(5,479)	1,660	(14,998)	(3,252)	(3,285)
Current income tax benefit/(expense)	2,535	4,367	157	(8,125)	2,744	(2,840)	-	351
Deferred income tax benefit/(expense)	(11,492)	(14,604)	(5,962)	(11,617)	(7,166)	(24,120)	(2,413)	(1,053)
Net income/(loss) for the period	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
<i>Comprised of:</i>								
Unitholders	7,244	(5,240)	(5,769)	33,178	3,539	23,638	(2,798)	(1,971)
Non-controlling interest	-	34	32	16	5	(35)	-	-
Net income/(loss) for the period	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
FFO ⁽¹⁾	81,241	73,058	67,553	56,169	57,663	55,861	44,698	39,239
FFOPU ⁽¹⁾	0.26	0.24	0.24	0.20	0.21	0.20	0.18	0.16
IFFO ⁽¹⁾	83,743	74,749	69,438	58,292	59,407	56,703	44,979	39,632
IFFOPU ⁽¹⁾	0.27	0.25	0.24	0.21	0.22	0.21	0.18	0.16
Weighted average number of units (000) ⁽²⁾	310,769	298,507	285,514	277,943	275,494	274,318	246,121	244,216

(1) Non-GAAP; refer to the “Additional Information on Non-GAAP Measures” section on page 39 of this MD&A.

(2) Non-GAAP; refer to the “Weighted Average Number of Units” section on page 43 of this MD&A.

Our results for the past eight quarters have primarily been affected by:

- acquisitions, dispositions, and developments of properties as described in the “Significant Events” section on page 12 and the “2026 Outlook” section on page 9 of this MD&A and in our 2024 MD&A,
- changes in fair value of financial instruments,
- deferred income taxes,
- current income taxes, and
- impairment charges and reversal of impairment charges.

The effect of seasonal factors on our quarterly results is primarily related to outbreaks and weather patterns which affect both direct operating expenses, primarily utilities, staffing and maintenance cost trends, and also revenue due to changes in occupancy based on new resident move-in trends.

Additional Information on Non-GAAP Measures

Throughout this MD&A, there are references to certain Non-GAAP Measures. As described in the relevant sections of this MD&A, where a Non-GAAP Measure is discussed for the first time, we have described why we believe it is useful to investors and how management uses the Non-GAAP Measure. Non-GAAP Measures do not have any standardized meaning prescribed by GAAP and therefore, are unlikely to be comparable to similar financial measures used by other issuers. The following provides detailed definitions and reconciliations to the most closely comparable GAAP measure for any Non-GAAP Measure that has not been provided elsewhere in this MD&A. We present FFO substantially consistent with the definition adopted by REALPAC in the REALPAC Guidance.

Funds from Operations and Internal Funds from Operations

FFO

According to the REALPAC Guidance, FFO is defined as follows:

Profit or loss per GAAP Statement of Comprehensive Income adjusted for:

- A. Unrealized changes in the fair value of investment properties.
- B. Depreciation of depreciable real estate assets including depreciation for components relating to capitalized leasing costs, capitalized tenant allowances treated as capital improvements and lease-related items ascribed in a business combination.
- C. Amortization of tenant allowances and landlord's work spent for the fit-out of tenant improvements and amortized as a reduction to revenue.
- D. Amortization of tenant/customer relationship intangibles or other intangibles arising from a business combination.
- E. Gains or losses from sales of investment properties and owner-occupied properties, including the gain or loss included within discontinued operations (if applicable).
- F. Tax on profits or losses on disposals of properties.
- G. Deferred taxes.
- H. Impairment losses or reversals recognized on land and depreciable real estate properties, excluding those relating to properties used exclusively for administrative purposes.
- I. Revaluation gains or losses recognized in profit or loss on owner-occupied properties, excluding those relating to properties used exclusively for administrative purposes.
- J. Transaction costs expensed as a result of the purchase of a property being accounted for as a business combination.
- K. Foreign exchange gains or losses on monetary items not forming part of a net investment in a foreign operation.
- L. Gain or loss on the sale of an investment in a foreign operation.
- M. Changes in the fair value of financial instruments which are economically effective hedges but do not qualify for hedge accounting.
- N. Negative goodwill or goodwill impairment.
- O. Effects of puttable instruments classified as financial liabilities.
- P. Results of discontinued operations.
- Q. Adjustments for equity-accounted entities.

- R. Incremental leasing costs.
- S. Property taxes accounted for under IFRIC 21.
- T. Operational revenue and expenses from Right of Use assets.
- U. Non-controlling interest.

IFFO

IFFO is a Non-GAAP Financial Measure used to evaluate management performance and does not have a standardized meaning prescribed by IFRS; therefore, it is not comparable to similar measures presented by other income trusts or other companies. IFFO should not be construed as an alternative to net earnings or cash flow from operating activities as determined by IFRS. Chartwell calculates IFFO by adding or subtracting the following items to or from its FFO: (a) Imputed Cost of Debt on development properties; (b) income guarantees due from vendors of certain acquired properties; and (c) current income tax. These adjustments to FFO are made to ensure management is not incented to make short-term decisions for Chartwell by not developing new properties or acquiring properties with long term value creation potential.

FFO Payout Ratio

FFO payout ratio is a Non-GAAP Financial Measure used to evaluate management performance and does not have a standardized meaning prescribed by IFRS; therefore, it is not comparable to similar measures presented by other income trusts or other companies. FFO payout ratio is calculated as the declared distributions to unitholders for the period as a percentage of FFO.

The following table provides a reconciliation of net income/(loss) to FFO and IFFO:

(\$000s, except per unit amounts, number of units, and payout ratio)	Q4 2025	Q4 2024	Change	2025	2024	Change
Net income/(loss)	7,244	3,544	3,700	29,495	22,378	7,117
<i>Add (Subtract):</i>						
B Depreciation of PP&E	71,693	49,225	22,468	245,509	166,371	79,138
D Amortization of limited life intangible assets	399	485	(86)	1,739	2,195	(456)
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,039)	(1,125)	86	(3,626)	(4,092)	466
E Loss/(gain) on disposal of assets	(1,128)	941	(2,069)	(62,918)	(53,963)	(8,955)
J Transaction costs arising on dispositions	266	491	(225)	6,719	5,518	1,201
H Impairment losses/(reversals)	(11,000)	-	(11,000)	(12,963)	-	(12,963)
F Tax on gains or losses on disposal of properties	(2,535)	(2,744)	209	1,066	(255)	1,321
G Deferred income tax	11,492	7,166	4,326	43,675	34,752	8,923
O Distributions on Class B Units recorded as interest expense	223	231	(8)	898	927	(29)
M Changes in fair value of financial instruments	4,528	(1,660)	6,188	24,348	19,875	4,473
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,098	1,196	(98)	4,332	3,887	445
U Non-controlling interest ⁽¹⁾	-	(87)	87	(254)	(131)	(123)
FFO ⁽²⁾	81,241	57,663	23,578	278,020	197,462	80,558
<i>Add (Subtract):</i>						
Imputed Cost of Debt ⁽³⁾	-	182	(182)	-	1,112	(1,112)
Income guarantees ⁽⁴⁾	2,502	1,562	940	8,201	2,148	6,053
IFFO ⁽⁵⁾	83,743	59,407	24,336	286,221	200,722	85,499
Weighted average number of units (000) ⁽⁶⁾	310,769	275,494	35,275	293,288	260,119	33,169
FFOPU ⁽⁷⁾	0.26	0.21	0.05	0.95	0.76	0.19
IFFOPU ⁽⁷⁾	0.27	0.22	0.05	0.98	0.77	0.21
Distributions declared on Trust Units	47,395	41,716	5,679	178,516	158,516	20,281
FFO Payout Ratio ⁽⁵⁾	58.3%	72.3%	(14.0pp)	64.3%	80.3%	(16.0pp)

(1) Non-GAAP; see reconciliation table following for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 20 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 12 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 43 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 43 of this MD&A for a discussion of the calculation of the per unit amounts.

The following table provides supplemental information in respect of the adjustment to FFO for Equity-Accounted JVs:

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
B Depreciation of PP&E and amortization of intangible assets	952	1041	(89)	3,735	3,013	722
E Loss/(gain) on disposal of assets	-	1	(1)	(5)	2	(7)
M Change in fair value of financial instruments	146	154	(8)	602	872	(270)
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,098	1,196	(98)	4,332	3,887	445

(1) Non-GAAP; refer to the preamble to this section.

The following table provides supplemental information in respect of the FFO for non-controlling interest:

(\$000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Net income/(loss)	-	(5)	5	(82)	30	(112)
B Depreciation of PP&E and amortization of intangible assets	-	(84)	84	(172)	(165)	(7)
E Gain on disposal of assets	-	2	(2)	-	4	(4)
U Non-controlling interest ⁽¹⁾	-	(87)	87	(254)	(131)	(123)

(1) Non-GAAP; refer to the preamble to this section.

The following table provides a quarterly reconciliation of net income/(loss) to FFO and IFFO:

(\$000s, except per unit amounts and number of units)	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net income/(loss)	7,244	(5,206)	(5,737)	33,194	3,544	23,603	(2,798)	(1,971)
<i>Add (Subtract):</i>								
B Depreciation of PP&E	71,693	61,430	59,694	52,692	49,225	43,009	38,795	35,342
D Amortization of limited life intangible assets	399	435	439	466	485	521	574	615
B Depreciation of PP&E and amortization of intangible assets used for administrative purposes included in depreciation of PP&E and amortization of intangible assets above	(1,039)	(874)	(833)	(879)	(1,125)	(974)	(941)	(1,055)
E Loss/(gain) on disposal of assets	(1,128)	(1,288)	(249)	(60,253)	941	(55,850)	1,584	(638)
J Transaction costs arising on dispositions	266	322	1,674	4,458	491	2,507	528	1,992
H Impairment losses/(reversals)	(11,000)	-	(1,963)	-	-	-	-	-
F Tax on gains or losses on disposal of properties	(2,535)	(4,367)	(157)	8,125	(2,744)	2,840	-	(351)
G Deferred income tax	11,492	14,604	5,962	11,617	7,166	24,120	2,413	1,053
O Distributions on Class B Units recorded as interest expense	223	223	224	228	231	231	232	232
M Changes in fair value of financial instruments	4,528	6,733	7,608	5,479	(1,660)	14,998	3,252	3,285
Q FFO adjustments for Equity-Accounted JVs ⁽¹⁾	1,098	1,130	973	1,130	1,196	900	1,059	735
U Non-controlling interest ⁽¹⁾	-	(84)	(82)	(88)	(87)	(44)	-	-
FFO ⁽²⁾	81,241	73,058	67,553	56,169	57,663	55,861	44,698	39,239
<i>Add (Subtract):</i>								
Imputed Cost of Debt ⁽³⁾	-	-	-	-	182	256	281	393
Income guarantees ⁽⁴⁾	2,502	1,691	1,885	2,123	1,562	586	-	-
IFFO ⁽⁵⁾	83,743	74,749	69,438	58,292	59,407	56,703	44,979	39,632
Weighted average number of units (000) ⁽⁶⁾	310,769	298,507	285,514	277,943	275,494	274,318	246,121	244,216
FFOPU ⁽⁷⁾	0.26	0.24	0.24	0.20	0.21	0.20	0.18	0.16
IFFOPU ⁽⁷⁾	0.27	0.25	0.24	0.21	0.22	0.21	0.18	0.16

(1) Non-GAAP; refer to the preceding reconciliation tables for the calculation of these amounts.

(2) Non-GAAP; refer to the preamble to this table and to the "Results of Operations/FFO" section on page 20 of this MD&A for a discussion of the significance of this metric.

(3) Non-GAAP; refer to the "Significant Events/Development/Expected Unlevered Yield and Imputed Cost of Debt" section on page 12 of this MD&A. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(4) Non-GAAP; refer to the preamble to this table. Includes Chartwell's proportionate share of Equity-Accounted JVs.

(5) Non-GAAP; refer to the preamble to this table.

(6) Non-GAAP; refer to the "Weighted Average Number of Units" section on page 43 of this MD&A.

(7) Non-GAAP; refer to the "Per Unit Amounts" section on page 43 of this MD&A for a discussion of the calculation of the per unit amounts.

Per Unit Amounts

In our calculations of FFOPU and IFFOPU, we add the weighted average Class B Units to the weighted average Trust Units as the Class B Units are exchangeable into Trust Units at any time at the option of the unitholder. In addition, we add Trust Units issued under EUPP and DTUs.

Weighted Average Number of Units

The following table provides details of the weighted average number of units outstanding:

(000s)	Q4 2025	Q4 2024	Change	2025	2024	Change
Weighted average number of units ⁽¹⁾	310,769	275,494	35,275	293,288	260,119	33,169

(1) Includes Trust Units, Class B Units, Trust Units issued under EUPP and DTUs.

Per Occupied Suite

In our calculations of REVPOS, DOEPOS, and NOIPOS we use the same property weighted average number of occupied suites for the applicable period.

	Q4 2025	Q4 2024	Change	2025	2024	Change
Weighted average number of occupied suites	11,906	11,363	543	11,667	11,059	608

Debt Covenant Calculations

Consolidated EBITDA to Consolidated Interest Expense Ratio for Debentures ("Interest Coverage Ratio for Debentures")

We are required at all times to maintain an Interest Coverage Ratio for Debentures of not less than 1.65 on a proforma basis and calculated based on the definitions for the Debentures.

(<i>\$000s, except ratio</i>)	12 months December 31, 2025	12 months December 31, 2024
Consolidated EBITDA for Debentures ⁽¹⁾	437,807	334,521
Consolidated interest expense for Debentures ⁽²⁾	125,812	124,712
Interest Coverage Ratio for Debentures	3.5x	2.7x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 45 of this MD&A for the calculation of consolidated EBITDA for Debentures.

(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 45 of this MD&A for the calculation of consolidated interest expense for Debentures.

Indebtedness Percentage for Debentures

We are required to maintain a ratio of consolidated indebtedness to aggregate adjusted assets of less than or equal to 65%.

(<i>\$000s, except indebtedness percentage</i>)	December 31, 2025	December 31, 2024
Consolidated indebtedness for Debentures ⁽¹⁾	3,014,705	2,825,784
Aggregate adjusted assets for Debentures ⁽²⁾	6,650,709	5,733,608
Indebtedness percentage for Debentures	45.3%	49.3%

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 46 of this MD&A for the calculation of consolidated indebtedness for Debentures.

(2) Refer to the "Supporting Covenant Calculations/5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures" section on page 47 of this MD&A for the calculation of aggregate adjusted assets for Debentures.

Unsecured Debt Coverage Ratio for Debentures

We are required to maintain a ratio of unencumbered aggregate adjusted assets to the aggregate principal amount of outstanding consolidated unsecured indebtedness of not less than 1.3 on a proforma basis giving effect to the transactions completed to the date of this MD&A and calculated based on the definition in the Supplemental Trust Indentures.

(\$000s, except ratio)	December 31, 2025	December 31, 2024
Unencumbered aggregate adjusted assets for Debentures ⁽¹⁾	2,062,550	1,088,350
Unsecured indebtedness for Debentures ⁽²⁾	808,079	633,310
Coverage ratio for Debentures	2.6x	1.7x

(1) Includes 39 properties valued at \$2,062.6 million as of December 31, 2025 (30 properties valued at \$1,088.4 million as of December 31, 2024). The property values are based on third-party appraisals that are dated no longer than two years from the applicable determination date.

(2) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 46 of this MD&A for the calculation of unsecured indebtedness for the Debentures.

Debt Service Coverage Ratio for Credit Facilities and Loans Payable

We are required to maintain a minimum debt service coverage ratio of 1.40 on a rolling 12-month basis.

(\$000s, except ratio)	12 months December 31, 2025	12 months December 31, 2024
Consolidated EBITDA for Credit Facilities and Loans Payable ⁽¹⁾	409,477	309,067
Consolidated interest expense for Credit Facilities and Loans Payable ⁽²⁾	123,903	106,782
Consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable ⁽³⁾	79,350	74,325
Consolidated debt service payments for Credit Facilities and Loans Payable	203,253	181,107
Debt service coverage ratio for Credit Facilities and Loans Payable	2.0x	1.7x

(1) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 45 of this MD&A for the calculation of consolidated EBITDA for Credit Facilities and Loans Payable.

(2) Refer to the "Supporting Covenant Calculations/2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures" section on page 45 of this MD&A for the calculation of consolidated interest expense for Credit Facilities and Loans Payable.

(3) Refer to the "Supporting Covenant Calculations/3. Regularly Scheduled Debt Principal Payments for Credit Facilities" section on page 46 of this MD&A for the calculation of consolidated regularly scheduled debt principal payments for Credit Facilities and Loans Payable.

Net Debt to Adjusted EBITDA

In addition to the financial covenants related to our Credit Facilities and Debentures, we internally monitor the Net Debt to Adjusted EBITDA ratio as calculated based on the definitions of Consolidated Indebtedness and Consolidated EBITDA contained in the trust indentures for our Debentures.

(\$000s, except ratio)	December 31, 2025	December 31, 2024
Consolidated Indebtedness for Debentures ⁽¹⁾	3,014,705	2,825,784
Consolidated EBITDA for Debentures ⁽²⁾	437,807	334,521
Net Debt to Adjusted EBITDA ratio	6.9x	8.4x

(1) Refer to the "Supporting Covenant Calculations/4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures" section on page 46 of this MD&A for the calculation of this amount.

(2) Refer to the "Supporting Covenant Calculations/1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures" section on page 45 of this MD&A for the calculation of this amount.

The Net Debt to Adjusted EBITDA ratio has improved primarily due to higher NOI and continuous occupancy growth. Additionally, financing of certain acquisitions and development projects in lease-up which have not yet achieved their expected stabilized EBITDA contribution also impacted this ratio.

Supporting Covenant Calculations

1. Consolidated EBITDA for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated EBITDA for the Credit Facilities, Loans Payable, and Debentures.

(\$000s)	12 months December 31, 2025	12 months December 31, 2024
Net income	29,413	22,408
Gain on disposal of assets ⁽¹⁾	(62,923)	(53,960)
Transaction costs ⁽¹⁾	6,719	5,518
Impairment expense/(reversal)	(12,963)	-
Non-cash change in fair value of financial instruments ⁽¹⁾	24,950	20,747
Consolidated net income/(loss) for Credit Facilities and Loans Payable	(14,804)	(5,287)
Consolidated finance costs ⁽¹⁾	128,436	108,441
Consolidated depreciation of PP&E and amortization of intangible assets ⁽¹⁾	250,812	171,416
Consolidated income tax expense/(benefit)	44,741	34,497
Principal portion of capital funding	292	-
Consolidated EBITDA for Credit Facilities and Loans Payable	409,477	309,067
Proforma adjustments ⁽²⁾	28,330	25,454
Consolidated EBITDA for Debentures	437,807	334,521

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.

(2) Adjusted to reflect a full-year impact of acquisitions and dispositions completed during the reporting period, on a proforma basis.

2. Consolidated Interest Expense for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated interest expense for Credit Facilities, Loans Payable, and Debentures.

(\$000s)	12 months December 31, 2025	12 months December 31, 2024
Interest on mortgages ⁽¹⁾	82,349	64,715
Interest on Debentures	37,032	22,539
Interest on Credit Facilities	3,090	8,710
Interest on Loans Payable	1,432	10,818
Consolidated interest expense for Credit Facilities and Loans Payable	123,903	106,782
Proforma adjustments ⁽²⁾	1,909	17,930
Consolidated interest expense for Debentures	125,812	124,712

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.

(2) Adjusted to reflect a full-year impact of acquisitions, dispositions and financings completed during the reporting period, on a proforma basis.

3. Regularly Scheduled Debt Principal Payments for Credit Facilities and Loans Payable

The following table summarizes regularly scheduled principal debt payments for the Credit Facilities and Loans Payable.

<i>(\$000s)</i>	12 months December 31, 2025	12 months December 31, 2024
Regularly scheduled debt principal payments per Financial Statements	79,041	74,028
Regularly scheduled debt principal payments for equity-accounted entities	309	297
Regularly scheduled debt principal payments for Credit Facilities and Loans Payable	79,350	74,325

4. Consolidated Indebtedness for Credit Facilities, Loans Payable, and Debentures

The following table provides the calculation of consolidated indebtedness for Credit Facilities, Loans Payable, and Debentures.

<i>(\$000s)</i>	December 31, 2025	December 31, 2024
Principal balance of mortgages payable	2,272,320	1,852,274
Principal balance of mortgages payable related to assets held for sale	-	138,391
Principal balance of mortgages payable related to Equity-Accounted JVs	48,385	49,594
Welltower loan 1	-	33,323
Welltower loan 2	-	40,665
Outstanding amount on secured credit facility	-	100,000
Outstanding amount on secured term loan related to assets held for sale	-	13,600
Secured indebtedness for the unsecured credit facility and Loans Payable	2,320,705	2,227,847
Principal balance of Debentures	800,000	550,000
Unsecured term loans	-	75,000
Capital lease obligations ⁽¹⁾	8,079	8,310
Unsecured indebtedness for Debentures	808,079	633,310
Outstanding letters of credit	5,089	5,753
Third-party guarantees	-	230
Unsecured indebtedness for Credit Facilities and Loans Payable	813,168	639,293
Consolidated indebtedness for Credit Facilities and Loans Payable	3,133,873	2,867,140
<i>Add (Subtract):</i>		
Outstanding letters of credit	(5,089)	(5,753)
Third-party guarantees	-	(230)
Cash and cash equivalents	(109,132)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,947)	(15,325)
Cash and cash equivalents of non-controlling interest	-	-
Consolidated indebtedness for Debentures	3,014,705	2,825,784

(1) Includes capital lease obligations related to joint ventures of \$nil at December 31, 2025 (\$0.1 million at December 31, 2024).

5. Adjusted Consolidated Gross Book Value of Assets for Credit Facilities and Loans Payable and Aggregate Adjusted Assets for Debentures

The following table provides the calculations of both the adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable and the aggregate adjusted assets for Debentures.

(\$000s)	December 31, 2025	December 31, 2024
Book value of assets ⁽¹⁾	5,086,007	4,133,163
Gross book value adjustment on IFRS transition	116,426	121,539
Adjustment for accumulated depreciation and amortization for Credit Facilities and Loans Payable ⁽²⁾	1,562,355	1,514,279
Adjusted consolidated gross book value of assets for Credit Facilities and Loans Payable	6,764,788	5,768,981
<i>Add (Subtract):</i>		
Cash and cash equivalents	(109,132)	(20,048)
Cash and cash equivalents of Equity-Accounted JVs	(4,947)	(15,325)
Cash and cash equivalents of non-controlling interest	-	-
Aggregate adjusted assets for Debentures	6,650,709	5,733,608

(1) Non-GAAP; includes Chartwell's proportionate share of Equity-Accounted JVs.

(2) Includes accumulated depreciation of PP&E and amortization of intangible assets for Equity-Accounted JVs of \$21.0 million at December 31, 2025 (\$27.6 million at December 31, 2024) and fully amortized assets of \$254.7 million at December 31, 2025 (\$272.9 million at December 31, 2024).

Critical Accounting Policies and Estimates

Critical Accounting Judgments, Estimates and Assumptions in Applying Accounting Policies

Our material accounting policies for the year ended December 31, 2025 are referred to in Note 3 of our Financial Statements. Under IFRS, it is necessary to make estimates when preparing the financial statements and then to re-evaluate the original estimates used on an ongoing basis. Our estimates are based on past experience and other factors that we believe are reasonable under the circumstances. As this involves varying degrees of judgement and uncertainty, the amounts currently reported in the financial statements could, in the future, prove to be inaccurate.

Valuation of PP&E and Intangibles

Fair value is the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction (that is, other than in a forced or liquidation sale) between market participants. Quoted market prices in active markets are the best evidence of fair value and are used as the basis for fair value measurement, when available. When quoted market prices are not available, estimates of fair value are based on the best information available, including prices for similar items and the results of other valuation techniques. Valuation techniques used would be consistent with the objective of measuring fair value.

Our Financial Statements are affected by fair value measures. The most significant areas affected are as follows:

- An impairment loss is recognized when the carrying amount of an asset is not recoverable. The impairment loss is determined as the excess of carrying value over its recoverable amount.
- Intangible assets with indefinite lives are also required to be assessed at a minimum annually, comparing the recoverable amount to carrying value to determine if an impairment loss is required to be recognized.

PP&E and intangible assets represent more than 90% of our assets.

At each reporting date we assess whether there is an indication, based on internal or external sources of information, that an asset or a Cash Generating Unit (“CGU”) in PP&E may be impaired. When indicators of impairment exist, we evaluate whether the recoverable amount of a CGU exceeds its carrying amount. Factors which could indicate that impairment exists include significant underperformance relative to historical or projected operating results, significant changes in the manner or use of the assets, significant negative industry or economic trends, or a change in the strategy for our overall business.

Our business, markets and business environment are continually monitored, and judgments and assessments are made to determine whether an event has occurred that indicates possible impairment. If such an indication exists, then the asset’s recoverable amount is estimated, and an impairment loss is recognized immediately in profit and loss for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of a) fair value less costs of disposal, and b) the value in use calculated on a discounted cash flow basis. Both the identification of events that may trigger impairment and the estimates of future cash flows and the fair value of the asset require considerable judgement.

The assessment of asset impairment requires us to make significant assumptions about the selection of discount rates, capitalization rates and terminal capitalization rates used to determine the fair value of a CGU. Significant assumptions are also required to estimate future stabilized cash flows, which include assumptions about rental rates and occupancy rates. Such assumptions can be significantly impacted by current and future economic conditions in the geographical markets of each CGU, and management’s strategic plans within each of its markets. Management also applies adjustments to reflect the expectations of market participants. Estimates and assumptions used in the determination of the recoverable amounts were based upon information that was known at the time, along with the future outlook. Actual results can, and often do, differ from these estimates, and can have either a positive or negative impact on the estimate and whether an impairment situation exists. In addition, when impairment tests are performed, the estimated useful lives of the properties are reassessed, with any change accounted for prospectively. Intangible assets that have indefinite useful lives are tested for impairment annually, or more frequently, if events or circumstances indicate that the assets might be impaired. Goodwill is tested for impairment at least annually or whenever indicators of impairment of the CGU to which the goodwill relates have occurred. Intangible assets with finite useful lives are tested for impairment if events or changes in circumstances, assessed at each reporting date, indicate the carrying amount may not be recoverable.

Subsequent changes in the fair value of contingent consideration arrangements are recognized in net income. The excess of the purchase price over the fair value of the acquired identifiable net assets and liabilities is goodwill. On the date of acquisition goodwill is recorded as an asset.

When an acquisition does not meet the criteria for business combination accounting treatment, it is accounted for as an acquisition of a group of assets and liabilities, the cost of which includes transaction costs that are allocated upon initial recognition to the assets and liabilities acquired based upon their relative fair values.

Changes in Accounting Estimates and Changes in Accounting Policies

Our material accounting policies are described in Note 3 of our Financial Statements. Note 3(m) outlines future accounting policy changes. There were no significant changes to our accounting policies in 2025 or following the date of our 2025 Financial Statements except for the adoption of IFRS 18 Presentation and Disclosure in Financial Statements and Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 11).

Related Party Transactions

In the normal course of operations, Chartwell enters into various transactions with related parties. A summary of related party transactions can be found in Note 11 of our Financial Statements.

Controls and Procedures

We are committed to maintaining effective disclosure controls and procedures and internal controls over financial reporting. We continue to invest in improvements to our information systems and financial processes to further strengthen our internal controls. A control system, no matter how well conceived and operated, can provide only reasonable, and not absolute, assurance that its objectives are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected. These inherent limitations include, among other items: (i) that management's assumptions and judgments could ultimately prove to be incorrect under varying conditions and circumstances; and (ii) the impact of isolated errors. Additionally, controls may be circumvented by the unauthorized acts of individuals, by the collusion of two or more people or by management override. The design of any system of controls is also based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions.

Disclosure Controls and Procedures

Our disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified under Canadian securities laws, and include controls and procedures that are designed to ensure that information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

An evaluation was carried out, under the supervision of and with the participation of management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of Chartwell's disclosure controls and procedures as defined under National Instrument 52-109. In making this assessment, the Chief Executive Officer and the Chief Financial Officer used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in the Internal Control – Integrated Framework – 2013 (COSO Internal Control Framework – 2013). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of Chartwell's disclosure controls and procedures were effective as at December 31, 2025.

Internal Control over Financial Reporting

We are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Chief Executive Officer and the Chief Financial Officer assessed, or caused an assessment under their direct supervision of the design and operating effectiveness of our internal controls over financial reporting as at December 31, 2025, and based on that assessment determined that our internal controls over financial reporting were appropriately designed and were operating effectively in accordance with the COSO Internal Control Framework – 2013.

There were no material changes in our internal controls over financial reporting that occurred during the year ended December 31, 2025 that have significantly affected or are reasonably likely to significantly affect our internal control over financial reporting.

Risks and Uncertainties and Forward-Looking Information

Risks and Uncertainties

- **General Business Risks:** We are subject to general business risks and to risks inherent in the seniors housing industry and in the ownership of real property. These risks include general economic conditions, health-related risks, disease outbreaks (for example, COVID-19) and control risks, fluctuations in occupancy levels, the inability to achieve economic residency fees (including anticipated increases in such fees), rent control regulations, increases in labour costs, and other operating costs including the costs of utilities, possible future changes in labour relations, reduction in personnel below acceptable levels (e.g. due to events such as a pandemic or disease outbreak), competition from or the oversupply of other similar properties, changes in neighbourhood or location conditions and, the imposition of increased taxes or new taxes, capital expenditure requirements, changes in interest rates, and changes in the availability and cost of money for long term financing which may render refinancing of mortgages difficult or unattractive. Moreover, there is no assurance that expected demographic trends will continue or that the occupancy levels achieved to date at the Properties and expected in the future will continue or be achieved. Any one of, or a combination of, these factors may adversely affect our cash available to, or the financial position of Chartwell.

There are inherent legal, reputational and other risks involved in providing housing and health care services to seniors. The vulnerability and limited mobility of some seniors increases such risks. Such risks include disease outbreak, fires or other catastrophic events at a property which may result in injury or death, negligent or inappropriate acts by employees or others who come into contact with our residents, and unforeseen events at Chartwell or even non-Chartwell properties that result in damage to our brand or reputation or to the industry as a whole.

- **Occupancy, Business Volumes, and Competition:** Revenue and operating results depend significantly on the occupancy levels at our residences. Numerous other developers, managers and owners of seniors housing residences compete with us in seeking residents. The existence of competing developers, managers and owners and competition for our residents may adversely affect our ability to find residents for our seniors housing residences and on the level of rents or rental rate which may be charged, and could adversely affect our revenues and, consequently, our ability to meet debt obligations. An increased supply of suites in the regions in which we operate may have an impact on the demand for suites in such residences. Our ability to compete successfully depends on a number of factors, including the number of competitors in the local market, the types of services available, our reputation in the local area, cost of services and the location, physical condition and age of the residences.
- **Access to Capital, Interest Rate, Credit Rating and Other Debt and Financing Risk:** We have and will continue to have substantial outstanding consolidated indebtedness comprised primarily of the mortgages, term loans, debentures and indebtedness under our credit facilities. Our level of indebtedness could adversely affect its business and results of operations, including: limiting its ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general business purposes; restricting Chartwell's flexibility and discretion to operate its business; limiting our ability to make Distributions; having to dedicate a portion of cash flows from operations to the payment of interest on our existing indebtedness and not having such cash flows available for other purposes; exposing our business to increased debt capital market risks, including interest rate risk and refinancing risk at maturity; exposing us to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; and making us vulnerable in a downturn in general economic conditions.

We intend to finance our growth strategy, including acquisitions and developments, through a combination of working capital and cash flow from operations, additional indebtedness and public or private sales of equity or debt securities. In the event that we require additional equity or debt financing for any reason, there can be no assurance that such financing will be available when required or on commercially favourable terms or on terms that are otherwise satisfactory to us. We are also subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such refinancing may not be as favourable as the terms of its existing indebtedness. This may

be due to factors including our financial condition, results of operations and cash flows, the terms of our existing indebtedness, general economic conditions and volatility, disruption and other unfavourable trends in the North American capital and credit markets. In particular, we currently have access to the government-backed mortgage insurance program through the National Housing Act, which is administered by CMHC. We entered into the LBA with CMHC in December 2015. In October 2024, CMHC terminated the LBA and replaced it with the LBRMF. There can be no guarantee that the provisions of the mortgage insurance program will not be changed in the future so as to make costs of obtaining mortgage insurance prohibitive or so as to restrict access to the insurance program in the future. To the extent that any financing requiring CMHC consent or approval is not obtained or that such consent or approval is only available on unfavourable terms, We may be required to use a conventional mortgage or other financing alternatives which may be less favourable to us than a CMHC-insured mortgage. No assurance can be given that we will be successful in obtaining additional financing, or refinancing existing indebtedness, on acceptable terms, at reasonable cost and at the required times, or at all. If we cannot obtain financing on acceptable terms, at reasonable cost and at the required times, our operations, liquidity and financial condition may be materially adversely affected and we may have to forgo, delay, or abandon some or all of its planned capital expenditures or any development, investment, or acquisition opportunities that we identify, which could adversely affect our revenues and results of operations.

Increases in market interest rates could significantly increase our debt servicing costs, which could have a material adverse effect on our business and results of operations. A portion of our cash flow is devoted to servicing its debt, and there can be no assurance that we will continue to generate sufficient cash flow from operations to meet required interest and principal payments. If we are unable to meet interest or principal payments, it could be required to seek renegotiation of such payments or obtain additional equity, debt or other financing.

If we fail to comply with the covenants, restrictions and requirements of any of its debt obligations, it could be in default under the relevant agreement which could have a material adverse effect on our liquidity, financial condition and results of operations. A default under one debt financing arrangement could cause cross-defaults under other financing arrangements, including our mortgages, term loans, debentures and our credit facilities. For example, because the terms of our debt contain cross-default provisions, a default by us related to one debt instrument could affect a significant number of our other properties and corresponding mortgages, term loans, debentures and credit facilities. In the event of any such default, if we failed to obtain replacement financing or amendments to or waivers under the applicable financing arrangement, its lenders could cease making further advances, declare our debt to be immediately due and payable, impose significant restrictions and requirements on our operations, institute foreclosure procedures against their collateral, or impose significant fees and transaction costs. If debt acceleration occurs, economic conditions may make it difficult or expensive to refinance the accelerated debt or we may have to issue equity, which would have dilutive effects on unitholders. Even if new financing is made available to us, credit may not be available to us on acceptable or reasonable terms. In addition, the terms of our indebtedness generally contain customary provisions that, upon an event of default, restrict the Distributions that may be made by us and our subsidiaries. Upon an event of default under such indebtedness, our ability to make Distributions will be adversely affected.

On September 30, 2025, DBRS confirmed the BBB (low) with Positive trends rating of Chartwell's Issuer Rating and Senior Unsecured Debentures. There is no assurance that we will continue to receive such credit ratings. Accordingly real or anticipated changes in Chartwell's Issuer Rating and /or Senior Unsecured Debentures credit ratings may adversely affect our business, operating results and financial condition.

- **Human Capital:** We compete in local markets with other health care providers with respect to attracting and retaining qualified personnel. We are also dependent upon the available labour pool of employees. A shortage of qualified personnel may require us to enhance our wage and benefits packages in order to compete. No assurance can be given that labour costs will not increase, or if they do increase, they can be matched by corresponding increases in rental or management revenue. The health care industry continues to face shortages of qualified personnel, including but not limited to nurses and personal support workers, particularly in non-urban settings. Continuation of such shortages could impact the delivery of services to residents in increased competition for staff and increased labour costs. This shortage, along with general inflationary pressures, may require us to enhance our pay and benefits

package to effectively compete for qualified personnel. We may not be able to recover such added costs through increased rates charged to residents or increased government funding. The inability to retain and/or attract qualified personnel may result in: a reduction in occupancy levels or services provided; use of staffing agencies at added cost; and an increased risk of deficiencies in operations which could potentially result in fines or penalties. An increase in personnel costs or a failure to attract, train and retain qualified and skilled personnel could adversely affect our business, results of operations and financial condition.

- **Economic and Financial Conditions:** Adverse changes to the economic and financial conditions in Canada, the United States and globally could impact our ability to execute upon our operating, investing and financing strategies which, in turn, could have a material adverse impact on our business, sales, profitability and financial position. In addition to labour costs, supply expenses make up a substantial portion of our cost of services. Those expenses can be subject to increases in periods of rising inflation or trade wars (including the imposition of new tariffs, duties and other trade protection measures and any responses thereto). Although historically we have generally been able to implement cost control measures, proactive procurement practices and/or obtain increases in government funding sufficient to substantially offset increases in these expenses, there can be no assurance that we will be able to anticipate fully or otherwise respond to any cost pressures or receive such increased funding, which may have a material adverse effect on the business, results of operations and our financial condition.

We rely on key suppliers to provide us with certain equipment and supplies. A shortage of such equipment or suppliers, due to supply chain disruptions, could have a material adverse impact on our business, especially if we are unable to find reasonable alternatives or secure such equipment or suppliers at reasonable prices. Our ability to secure sufficient equipment and suppliers is affected by many factors beyond our control. A shortage or disruption of equipment and supplies that are critical to our operations may adversely affect our business, results of operations and financial condition.

- **Labour Relations:** We, directly or indirectly employ 11,492 people in Canada. Excluding managers, approximately 77% of the employees working in the residences are represented by labour unions or employee associations. Labour relations with the unions are governed by collective bargaining agreements with many different unions. There can be no assurance that we will not at any time, whether in connection with the renegotiation process or otherwise, experience strikes, labour stoppages or any other type of conflict with unions or employees which could have a material adverse effect on our business, operating results and financial condition. However, most seniors housing residences in the Province of Ontario fall under the jurisdiction of the Hospital Labour Disputes Arbitration Act which prohibits strikes and lockouts in the seniors housing sector. Therefore, collective bargaining disputes are more likely to be resolved through compulsory third-party arbitration in Ontario.

In British Columbia, Alberta and Québec where strikes and lockouts may be permitted, certain essential services regulations apply which ensure the continuation of resident care and most services. Non-unionized seniors housing residences may become unionized in the event they are approached for certification by a trade union. There can be no assurance that the seniors housing residences we own that are currently unorganized will not, in the future, be subject to unionization efforts or that any such efforts will not result in the unionization of such a seniors housing facility's employees.

In December 2025, the British Columbia Ministry of Health announced that it had entered into a Memorandum of Agreement with the Health Employers Association of British Columbia ("HEABC") and the Facilities Bargaining Association ("FBA") pursuant to which eligible publicly funded care home operators in British Columbia would be brought into HEABC membership and the collective bargaining agreements negotiated by HEABC would be applied to those facilities, notwithstanding any existing collective bargaining agreements in place at such facilities. At this time, it is not known whether any Chartwell properties will be included within the scope of this initiative or how eligibility will be determined. Chartwell has a total of 126 funded beds at two British Columbia properties. If any Chartwell properties are included, the application of HEABC-negotiated collective bargaining agreements could result in increased labour costs, which could have an adverse effect on the impacted properties.

Certain Ontario LTC homes achieved pay equity by 2005 under a sector framework that used the "proxy" method, with the Ontario government directly funding the related obligations. In subsequent litigation

commenced in 2010, unions asserted that additional adjustments were required to maintain pay equity. Although the Ontario Pay Equity Tribunal (the “Tribunal”) found generally in favour of the participating LTC homes, appellate courts later found in favour of unions and directed the Tribunal. The Supreme Court of Canada denied leave to appeal on October 14, 2021, thereby upholding the appellate court decision.

Chartwell owns or previously owned four LTC homes that are respondents to this decision and previously owned seven additional LTC homes that also used the proxy method and could be affected. Although we completed the sale of the LTC operations in 2023, we continue to participate in sector discussions with unions, other LTC homes and the Ontario government regarding an appropriate pay equity maintenance framework.

There are significant uncertainties regarding how the decision will be implemented, including the scope of any required pay equity adjustments, the methodology and timing for implementation, and the ultimate financial impact on us. Discussions among the affected parties have not meaningfully progressed. As a result we cannot reliably estimate any potential liability. We expect that any required pay equity adjustments will be fully funded by the Ontario Government; however there is no assurance that such funding will be provided in full or on a timely basis. No liability for potential pay equity adjustments or related recovery from the government has been recognized in Chartwell’s financial statements. Any requirement to fund pay equity adjustments in whole or in part, could increase Chartwell’s labour costs and adversely affect its financial condition and results of operations.

- **Joint-Venture Interests:** We have entered into joint-venture arrangements in respect of certain of our seniors housing operations. These joint-venture arrangements have the benefit of sharing the risks associated with ownership and management of such seniors housing residences including those risks described above and provide us with access to properties and development sites we would otherwise have. However, we may be exposed to adverse developments, including a possible change in control, in the business and affairs of our joint-venture partners which could have a significant impact on, or termination of, our interests in our joint ventures and could affect the value of the joint ventures to us and/or cause us to incur additional costs if we were to solely undertake the operations of the joint venture. In addition, there are risks which arise from the joint-venture arrangements themselves, including: the risk that the other joint-venturer may exercise buy-sell, put or other sale or purchase rights which could obligate us to sell our interest or buy the other joint-venturer’s interest at a price which may not be favourable to us or at a time which may not be advantageous to us, the effect of which could be materially adverse to our financial position or resources.
- **Government Regulation:** Health care in general is an area subject to extensive regulation and frequent regulatory change. In Canada, a number of provinces are promoting regionally managed and regulated health care systems. These changes favour larger operators having the resources to provide more cost-effective management services and well-developed staff training programs on a regional basis. There can be no assurance that future regulatory changes in health care, particularly those changes affecting the seniors housing industry will not adversely affect us.

In all provinces, LTC Residences and retirement homes are subject to government oversight, regulation and licensing requirements, which may change or become more onerous in the future. In addition, governments in some jurisdictions have increased, and may continue to increase, regulatory oversight of seniors housing, including through more prescriptive operational requirements, enhanced inspection and enforcement regimes, and measures affecting the pricing of accommodation and services, such as rent control. There can be no assurances that future regulatory changes affecting the seniors housing industry would not have a material adverse impact on the business, operating results and financial condition of Chartwell. While the Operator endeavours to comply with all regulatory requirements in its residences, it is not unusual for stringent inspection procedures to identify deficiencies in operations. In such circumstances, for all legitimately identified deficiencies, it is our intention to correct deficiencies or have its manager correct deficiencies within the time frames allowed.

- **Maintenance of Assets:** We are committed to keeping our communities in a good state of repair. We fundamentally believe that investing back into communities increases resident and staff satisfaction, which ultimately makes the business more profitable. In 2025, we invested \$111.1 million of capital back

into our property portfolio. In addition to recurring capital maintenance projects, these investments include large, often multi-phased, renovation projects and projects undertaken to comply with the requirements of various regulatory or government authorities, projects that improve the revenue-generating potential of our properties and projects identified during acquisition due diligence. The amount of these investments varies from time to time based on the volume of specific projects in progress. We take into account the capital maintenance requirements of our residences when determining future cash flows available for Distributions. A significant increase in capital maintenance requirements could adversely impact our cash availability.

- **Acquisitions, Disposition and Development:** Agreements to acquire or sell, as well as development agreements entered into with third parties may be subject to unknown, unexpected or undisclosed liabilities which could have a material adverse impact on our operations and financial results. Representations and warranties given by such third parties to us may not adequately protect against these liabilities and any recourse against third parties may be limited by the financial capacity of such third parties.

Moreover, the acquired properties may not meet expectations of operational or financial performance due to unexpected costs associated with operating an acquired property, as well as the general investment risks inherent in any real estate investment.

In addition, the letters of intent and purchase or sale agreements entered into with third parties with respect to such acquisitions or sales, as applicable, are generally subject to certain closing conditions, and in some cases, the granting of regulatory approvals. Such acquisitions or sales may not be completed due to the failure to satisfy closing conditions or the failure to receive required regulatory approvals and certain funds paid by us may not be recoverable.

We are pursuing several development activities. These activities create development-specific risks, including the risk of subcontractors placing liens on projects, construction delays, increasing costs, labour disputes, delays in obtaining municipal and regional approvals and disputes with development partners.

We may also face additional risks, including those associated with forward purchase commitments, potential cash flow dilution from on-balance sheet developments, and concerns related to construction quality, developer reputation, and other related factors.

- **Workplace Health and Safety:** We recognize that ensuring a healthy and safe workplace reduces work-related injury, illness and disability, improves productivity, lowers absenteeism and helps minimize any liability or penalties which could be incurred in connection with workplace injuries or illness. Chartwell has occupational health and safety programs in place and has established policies, procedures and training aimed at ensuring compliance with applicable legislative requirements. Failure to comply with workplace health and safety policies and procedures or applicable legislative requirements could result in increased work-related injury or illness, fines and/or penalties and damage to our reputation and thus have a material adverse effect on the business, results of operations and financial condition of Chartwell.
- **Pandemic, Epidemic or Outbreak of Disease:** The occurrence of a pandemic, epidemic, or other outbreak of an infectious disease, or other public health crisis in areas in which we operate could have a material adverse effect on our business, results of operations, liquidity, borrowing capacity and financial condition. Federal, provincial or local health agencies may, or we may choose to, restrict, limit or suspend in-person tours by or on behalf of prospective residents and/or admissions to our residences as a precautionary measure in a crisis to avoid the spread of a contagious illness or other public health crisis, resulting in decreased occupancy. Even in the absence of any such restriction, limit or suspension, prospective residents may delay or defer moving into a residence due to negative perceptions of congregate living and/or in an attempt to avoid possible exposure to infectious diseases. Enhanced procedures, protocols and care put in place to assist in reducing the likelihood of exposure to infectious diseases or to address actual outbreaks in our residences (for example, enhanced screening, personal protective equipment, increased disinfection, mandatory vaccination policies, rapid testing and other health and safety measures) would result in increased costs. A pandemic, epidemic or other outbreak may also adversely affect operations by causing staffing and supply shortages. Although government

funding or assistance may mitigate some of these impacts, there is no certainty of the extent to which that will be the case. There is uncertainty regarding the implementation and impact of any government funding, pandemic-related legislation and any other future relief measures. In addition, outbreaks, cause our staff and our management team to spend considerable time planning for and addressing such events, which diverts their attention from other business concerns. Further, a pandemic, epidemic or contagious disease outbreak may impact the overall economy so that credit markets are adversely affected, which may make it more difficult for us to access the credit markets or, if able to do so, at a higher cost or less advantageous terms, potentially impacting, among other things refinancings and our development plans and timelines. A pandemic, epidemic, or other outbreak of an infectious disease may result in an increased risk that we may be subject to litigation related to our handling of the pandemic, epidemic or other outbreak of infectious disease at its residences, which, even if not meritorious, and even if covered by our insurance, could result in increased operating costs to defend.

- **Growth and Strategic objectives:** We may not be able to successfully execute our growth strategy and portfolio optimization and capital recycling programs. Our ability to achieve our strategic objectives is subject to known and unknown risks and uncertainties, including those discussed herein. The ability to grow may require the issuance of additional Units and such issuances may not always be a viable capital raising option. Furthermore, timing differences may occur between the issuance of additional units and the time the proceeds may be used to invest in acquiring or developing new properties. Depending on the duration of this timing difference, this may be dilutive. Our strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating such properties and disposing other properties. While we expect that we will have opportunities to acquire properties which will be accretive and enable us to increase cash flow through improved management and dispose of properties that are no longer aligned with our strategy and areas of focus, there can be no assurance that will be the case.
- **Liability and Insurance:** The businesses which are carried on, directly or indirectly, by us, entail an inherent risk of liability. We expect that from time to time we may be subject to such lawsuits as a result of the nature of our businesses. In addition, attempts to advance class action lawsuits have become more prevalent in senior care. There can be no assurance that we will not face risks of this nature.

We maintain business and property insurance policies in amounts and with such coverage and deductibles as deemed appropriate, based on the nature and risks of the businesses, historical experience and industry standards. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms or that coverage for certain risks such as infectious diseases will continue to be available at all. A successful claim against us not covered by, or in excess of, our insurance could have a material adverse effect on our business, operating results and financial condition. Claims against us, regardless of their merit or eventual outcome, also may have a material adverse effect on our ability to attract residents or expand our businesses and will require management to devote time to these matters rather than to the operation of the business.

- **Real Property Ownership and Lack of Diversity:** Real property equity investments are relatively illiquid. This illiquidity will tend to limit our ability to respond to changing economic or investment conditions. By specializing in a particular type of real estate, we are exposed to adverse effects on that segment of the real estate market and do not benefit from a diversification of our portfolio by property type.
- **Geographic Concentration:** Our business and operations are conducted within Canada primarily in Ontario and Quebec. A geographic concentration of our owned and leased suites, at our percentage share of ownership or leasehold interest, is described under the “Business Overview” section on page 3 of this MD&A. The market value of these properties and the income generated from them could be negatively affected by changes in local, regional or national economic conditions or legislative/regulatory changes in the respective jurisdictions.
- **Management Contracts:** We receive management fees from non-owned residences that we manage for others and earn management fees from co-owned properties. We will not receive this revenue if the management agreements with the residences’ owners are terminated or not renewed upon their expiry.

Such contracts are generally terminable upon 90 days' notice, with the exception of Management Agreements on properties with secured mezzanine loans advanced by us.

- **Conflicts of Interest:** The Chartwell Trustees, CSH Trustees and, Directors will, from time to time, in their individual capacities deal with parties with whom we may be dealing or may be seeking investments similar to those desired by us. The relevant constating documents of Chartwell, CSH Trust and Master LP contain conflict of interest provisions requiring our Chartwell Trustees, CSH Trustees and Directors to disclose material interests in material contracts and transactions and to refrain from voting thereon.
- **Loans Receivable:** Our loans receivable are generally secured by subordinated charges of the borrowers' interests in real estate and rank behind senior financing. Similarly, the vendor take back mortgages provided by Master LP are secured by subordinate charges on properties. If our borrowers face financial difficulty and are not able to meet their commitments to their lenders, including us, we could suffer a loss of either interest or principal or both on the loans we have advanced, since other lenders will rank ahead of us in any recovery. Additionally, we may not, at the applicable time, have the financial capacity to acquire all properties that we are entitled or required to acquire from borrowers. There is a risk, if property values deteriorate or the financial capacity of the borrowers deteriorates, that we could suffer losses on such loans.
- **Privacy, Cyber Security and Information Technology:** As a custodian of a large amount of personal information and personal health information relating to our employees and our residents, we are exposed to the legal and reputational risk of the loss, misuse or theft of any such information. We help mitigate this risk by deploying appropriate technology and training for preventing unauthorized access or theft for our employees relating to the safeguarding of such information and we maintain cybersecurity insurance in amounts and with such coverage as deemed appropriate based on the nature and risks of the business.

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for us and the seniors housing industry. Cyber-attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise our confidential information as well as that of our residents, employees, and third parties with whom we interact and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. In particular, in connection with our business we maintain a large amount of personal health information about our residents. If we were to experience a security breach resulting in unauthorized access to our use or disclosure of such information, we could be exposed to complaints, investigations or litigation and our reputation may be negatively affected. As a result, while we continually monitor for malicious threats and adapt accordingly in an effort to ensure we maintain high privacy and security standards, invest in cyber defense technologies to support our business model and to protect our systems, residents and employees, employing industry best practices, there can be no assurance that these measures will prevent loss, misuse or theft of any such information.

We are a party to agreements with third parties for hardware, software, network, telecommunications and other information technology ("IT") services in connection with our operations. The efficient operation of our business depends, in part, on computer hardware and software systems and on how well we and our suppliers protect networks, equipment, systems and software against damage from a number of threats (including cable cuts, damage to physical plants, natural disasters, terrorism, fire, power loss, hacking, computer viruses, malware, vandalism, ransomware and theft). Our operations also depend on the timely maintenance, upgrade and replacement of systems and software, as well as pre-emptive expenses to help mitigate the risks of failures. Any of these and other events could result in IT system failures, delays and/or increase in capital expenses. The failure of IT systems could, depending on the nature of any such failure, adversely impact our reputation and may adversely affect our business, operating results and financial condition.

- **Artificial Intelligence:** We began to introduce artificial intelligence ("AI") solutions into various aspects of our business and operation, including finance, administration and workforce management. Our competitors or other third parties may incorporate AI into their products and services quicker, which could impair our ability to compete effectively and adversely affect our operations. The adoption of AI solutions

has taken and expected to continue to take management efforts. There can be no assurance that use of AI will enhance our business or operations or produce the intended result.

The use of AI involves significant risks, including the risk that outputs or recommendations generated or assisted by AI applications may be deficient, inaccurate, misleading, biased or otherwise unreliable, which could adversely affect our business, reputation, financial condition and results of operations. The use of AI solutions may result in cybersecurity incidents or privacy breaches involving personal information or confidential business information, including due to vulnerabilities in our systems or those of third-party service providers. We may also be exposed to legal and regulatory risks related to the use of AI, including evolving government regulation and privacy laws, intellectual property and copyright issues, and allegations that AI-assisted content infringes third-party rights or is otherwise improper.

We adopted an AI policy and governance framework designed to support the responsible and ethical use of AI solutions, however, there can be no assurance that such measures will be effective in all circumstances or will prevent or mitigate all risks associated with AI. The rapid evolution of AI, including potential government regulation of AI and privacy laws, may require significant resources to develop, test and maintain our IT infrastructure and systems to support the ethical implementation of AI and minimize any unintended and harmful impacts.

- **Environmental Liabilities:** Environmental legislation and policies have become increasingly important in recent years. Under various environmental laws and regulations, we, as either owner or manager, could become liable for the costs of removal or remediation of certain hazardous, toxic or regulated substances released on or in our properties or disposed of at other locations in some cases regardless of whether or not we knew of or was responsible for their presence. The failure to remove, remediate or otherwise address such substances, if any, may adversely affect an owner's ability to sell such properties or to borrow using such properties as collateral and could potentially result in claims against the owner by private plaintiffs. It is our operating policy to obtain a Phase I environmental site assessment, conducted by an independent and experienced environmental consultant, prior to acquiring or financing any property. Where Phase I environmental site assessments identify sufficient environmental concerns or recommend further assessments, Phase II or Phase III environmental site assessments are conducted. They are intrusive investigations that involve soil, groundwater or other sampling to confirm the absence or presence and extent of an environmental concern.

Environmental laws and regulations may change, and we may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on our business, financial condition or results of operation and distributions.

- **Climate Change Risk:** We are exposed to climate change risk from natural disasters and severe weather, such as floods, ice storms, windstorms, earthquakes, wildfires or other severe weather that may result in damage or loss to our investment properties. These adverse weather and natural events could cause substantial damage and/or revenue losses as well as cost increases. There can be no assurance that damages or losses caused by these adverse weather and natural events will not exceed ours or our residents' property insurance coverage. Climate change may also have indirect effects on our business by increasing the cost of (or making unavailable) property insurance on terms we find acceptable.

Over time, climate change may also affect our operational expenses, including utilities and preventative maintenance expenses, as temperatures fluctuate. In addition, changes in federal, provincial or local legislation and regulation on climate change could result in increased capital expenditures to improve the energy efficiency of our existing properties and could also require us to spend more on our new development properties without a corresponding increase in revenue. Chartwell management reports on climate change risks, regularly to our Board of Directors, including mitigation strategies with respect to this risk.

- **ESG Risks:** There are rapid and ongoing developments and changing expectations relating to ESG matters and factors such as the impact of operations on climate change, diversity, equity and inclusion, corporate governance and other matters, which may result in increased regulatory, social or other scrutiny on Chartwell. This scrutiny may be intensified as a result of the varying pro-ESG and anti-ESG views held

by certain stakeholders. If we are unable to adequately recognize and respond to such developments and governmental, societal, investor and consumer expectations relating to such ESG matters, we may miss corporate opportunities, become subject to additional scrutiny, incur unexpected costs or experience damage to our reputation. If any of these events were to occur, there may be a material adverse effect on our business, financial condition, cash flows and results of operations and the market value of our Trust Units and/or senior unsecured debentures may decline.

- **Distributions:** Our distributions are made at the discretion of the Trustees based on forward-looking cash flow information, including forecasts and budgets, results of operations, requirements for capital expenditures and working capital, future financial prospects, debt covenants and obligations, and any other factors considered relevant by them in setting the distribution rate. Items such as principal repayments, capital expenditures, variances in operating results and redemption of units, if any, or the failure of CSH Trust or Master LP to make distributions to Chartwell Retirement Residences may affect Distributions. We may be required to decrease our distributions in order to accommodate any such items.
- **Restrictions on Redemption Right:** It is anticipated that the redemption right will not be the primary mechanism for holders of Units to liquidate their investments. Cash redemptions are subject to limitations. Securities which may be distributed *in specie* to Unitholders in connection with a redemption will not be listed on any stock exchange and may not be qualified investments under the Tax Act for Plans. No established market is expected to develop in such notes and they may be subject to resale under applicable securities laws.
- **Dilution:** To date, we have issued an aggregate of 40,122,942 Trust Units pursuant to the 2024 ATM Program and the 2025 ATM Program. We may issue up to \$260.0 million worth of additional Trust units pursuant to the 2025 ATM Program. We may, in our sole discretion, issue additional Trust Units from time to time, and the interests of the Unitholders may be diluted thereby.
- **Nature of Units:** The Units are not traditional equity investments. The Units represent an undivided ownership interest in Chartwell. Our primary assets are CSH Trust Units. The Units do not represent a direct investment in the business of Master LP and should not be viewed by investors as direct securities of Master LP or its subsidiaries. As holders of Units, Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions or rights to dissent from fundamental transactions undertaken by a corporation and to apply to court to be paid “fair value” for their securities. As well, Chartwell may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors’ Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

The Units are not debt instruments and are dissimilar to debt instruments in that there is no principal amount owing to Unitholders. Further, cash Distributions are not guaranteed amounts and may fluctuate with the performance of the entities in which we invests. The trading price of the Units will be greatly affected by such performance and the anticipated Distributions of Chartwell. The market value of the Units may deteriorate if we are unable to maintain its cash Distribution levels in the future and that deterioration may be significant.

- **Unitholder Liability:** The Declaration of Trust provides that no Unitholder shall be subject to any liability whatsoever to any person in connection with a holding of Units. However, in jurisdictions outside the Provinces of Ontario, Québec, Alberta and British Columbia (and in those jurisdictions in certain circumstances), there remains a minimal risk, which is considered by us to be remote in the circumstances, that a Unitholder could be held personally liable, despite such statement in the Declaration of Trust, for our obligations to the extent that claims are not satisfied out of the our assets. Our affairs are conducted to seek to minimize such risk wherever possible.
- **Market for Units and Unit Price:** The Units are listed on the TSX. There can be no assurance that an active public market for Units will be sustained. One of the factors that may influence the market price of the Units is the annualized yield on the Unit price from Distributions. Accordingly, an increase in market interest rates may lead purchasers of Units to demand a higher annual yield, which could adversely affect the market price of the Units. The market price of the Units does not necessarily reflect our net asset

value. In addition, the market price for the Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors outside of our control which may cause the market price of Units to change in a manner which is different from the change in value of the underlying real estate assets.

- **Taxation:**

- ***The SIFT Rules***

The SIFT Rules, which relate to the federal income taxation of certain publicly traded trusts and certain other publicly-traded flow-through entities, were enacted on June 22, 2007. Generally, under the SIFT Rules, certain distributions from a “SIFT trust” (as defined in the Tax Act) will not be deductible in computing the trust’s taxable income, and the trust will be subject to tax on such distributions at a rate that is comparable to the general tax rate applicable to a Canadian corporation. To the extent that a distribution attracts this tax, it will be taxed in the hands of the receiving Unitholder (whether received in cash, additional Units or otherwise) as a taxable dividend from a taxable Canadian corporation, which dividend will be eligible for the enhanced dividend tax credit (an “eligible dividend”).

The SIFT Rules are not applicable to certain real estate investment trusts that meet certain conditions (as provided in the Tax Act) relating to the nature of their revenues and investments (the “REIT Conditions”). As currently structured, we do not meet the REIT Conditions. Chartwell has been a SIFT trust since 2007 and, unless we change our structure and the nature of our operations, we expect to be a SIFT trust for 2026 and future years.

In 2025, 96.3% of our distributions were classified as return of capital and 3.7% were classified as eligible dividends. Based on our current forecasts, we do not expect any other tax to be payable by us under the SIFT Rules in 2025.

As a general matter, the amount of tax payable by Chartwell under the SIFT Rules, if any, in any given taxation year may be affected by acquisitions, dispositions and other events occurring in such taxation year or other relevant taxation years.

- ***Tax Status***

If we cease to qualify as a “mutual fund trust” for the purposes of the Tax Act or the Units ceased to be “qualified investments” under the Tax Act, the Canadian federal income tax considerations applicable to us and our Unitholders would be materially and adversely different in certain respects.

We will endeavour to ensure that we continue to qualify as a mutual fund trust and the Trust Units continue to be qualified investments under the Tax Act for Plans but there is no assurance that we will be able to do so. Generally, Trust Units will be qualified investments for Plans if, at the relevant time (a) the Trust Units are listed on the TSX (or other designated stock exchanges for the purposes of the Tax Act), (b) the Trust Units are registered investments under the Tax Act or (c) if we qualify as a mutual fund trust (as defined in the Tax Act). The Tax Act may impose penalties for the acquisition or holding of non-qualified investments by a Plan. Any property distributed to a Unitholder on an in-specie redemption of Trust Units may not be a qualified investment under the Tax Act for a Plan. There can be no assurance that Canadian federal income tax laws (or the judicial interpretation thereof), the administrative and/or assessing practices of the CRA and/or the treatment of mutual fund trusts will not be changed in a manner which adversely affects Unitholders.

Net income and net realized capital gains in excess of the cash distributions we make in a year may be distributed to Unitholders in the form of additional Units. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, notwithstanding that they do not directly receive a cash Distribution.

Although we are of the view that all expenses to be claimed by us and our subsidiaries will be reasonable and deductible, that the tax filing positions taken by us are reasonable, and that the cost amount and capital cost allowance claims of such entities will have been correctly determined and that the allocation of Master LP’s income for tax purposes among its partners is reasonable, there can be no assurance that CRA will agree. If CRA successfully challenges us and/or our subsidiaries in any of these respects, the taxable income of Chartwell and the Unitholders, will increase or change.

Master LP has acquired many properties on a rollover basis with the result that the cost base for tax purposes in such properties was less than their fair market value at the time of acquisition. Master LP may acquire properties on a rollover basis in the future, with a similar result in their cost base. On a future sale of such properties for a sale price in excess of such cost base, income and capital gain will be realized which may result in tax being payable, under the SIFT Rules.

Forward-Looking Information

This MD&A contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. The words “plans”, “expects”, “is expected”, “budget” “scheduled”, “estimates”, “intends”, “anticipates”, “projects”, “believes”, “timeline”, “forecast”, “outlook”, “potential”, “prospects”, “strategy”, “target”, “maintain” or positive or negative variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “should”, “would”, “might”, “occur”, “be achieved” or “continue” and similar expressions, identify forward-looking statements.

Examples of such forward-looking information in this document include but are not limited to the following, each of which is subject to significant risks and uncertainties and is based on a number of assumptions which may prove to be incorrect:

- statements regarding our business strategies, operational sales, marketing strategies, including our 2028 Strategy targets and objectives, rental and service rate increases, reduction in use of target incentives, and the expected results of such strategies,
- statements and forecasts regarding occupancy trends and growth including statements regarding expected occupancy levels, move-in activity, and achievement of occupancy targets,
- statements and forecasts regarding our portfolio optimization strategies including our ability to achieve acquisition, development investment and divestiture targets outlined in our 2028 Strategy.
- statements regarding our ability to achieve improvements in our cash flows, improved operating margins, and operating efficiencies,
- our predictions and expectations with respect to industry trends including growth in the senior population and the pace of new construction starts,
- our expectations regarding our ability to meet our obligations as they become due utilizing our sources of liquidity,
- our expectations regarding achievement of certain occupancy levels and projected earnings generated therefrom,
- our expectations of adjusted operating margin,
- statements regarding employee engagement and resident satisfaction targets,
- our expectations with respect to potential expansion projects and development projects on new sites and our owned lands,
- information related to the expected completion and expected stabilized occupancy dates of properties under development,
- the expected closings and closing dates of, taxes, proceeds and expected use of proceeds from, acquisitions and dispositions,
- our expectations with respect to the balance and associated interest rates of certain mortgage debt,
- our ability to realize expected unlevered yields, occupancy rates and net operating income on our development projects,
- our expectations with respect to refinancing activities, including our ability to renew maturing debt and to obtain new financings in due course,
- our intention and ability to access low-cost mortgage financing insured by CMHC,
- the sustainability of our current distributions and plans to increase the current level of distributions,
- our expectations regarding future development and acquisition opportunities, including but not limited to those with Batimo,
- our expectations with respect to future disposition and asset repositioning opportunities,

- statements regarding the impact of certain litigation,
- our expectations regarding continued funding of our programs by government agencies due to impact of new laws and regulations in Canada,
- expectations with respect to the funding of pay equity adjustments,
- statements regarding the income-generating potential of our properties,
- our expectations regarding the tax classification of future distributions,
- our expectations with respect to the fluctuation in the market and fair value of our financial instruments,
- our expectations regarding our SIFT status and taxes that are expected to be payable in the current and future years under the SIFT Rules, and
- our expectations regarding future demand for retirement suites and services in the provinces in which we operate.

Forward-looking statements are based upon a number of estimates and assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. These estimates and assumptions include, but are not limited to, expected growth, results of operations, performance and business prospects and opportunities. In addition, certain specific assumptions were made in preparing forward-looking information including growth in revenue and service fees, growth in occupancy rates due to industry demand, continued growth in labour costs as a result of labour shortages and market conditions, continued access to Canada Mortgage and Housing Corporation's mortgages at competitive rates, continued access to capital markets which will continue to provide us with access to equity and/or debt at reasonable rates to meet financial and operating needs, no unforeseen changes to tax laws and our ability to maintain our status as a mutual fund trust.

While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this MD&A and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimated expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. **There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statement. Accordingly, readers should not place undue reliance on forward-looking information.** These factors are not intended to represent a complete list of the factors that could affect us. See risk factors highlighted in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent AIF.

Supplemental Information

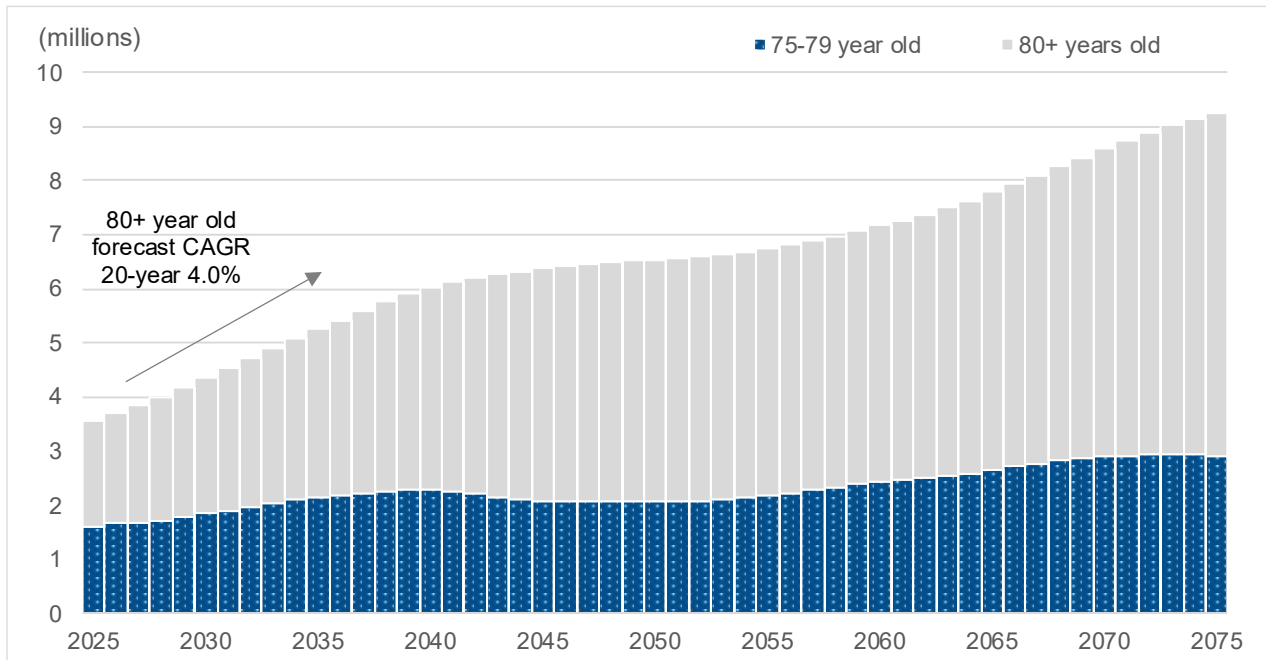
Significant Future Demand

Based on the forecasted ratios of retirement suites to the population of people over the age of 75, the demand for retirement suites is expected to accelerate over the next 20 years.

Demand for retirement suites will further benefit from the following:

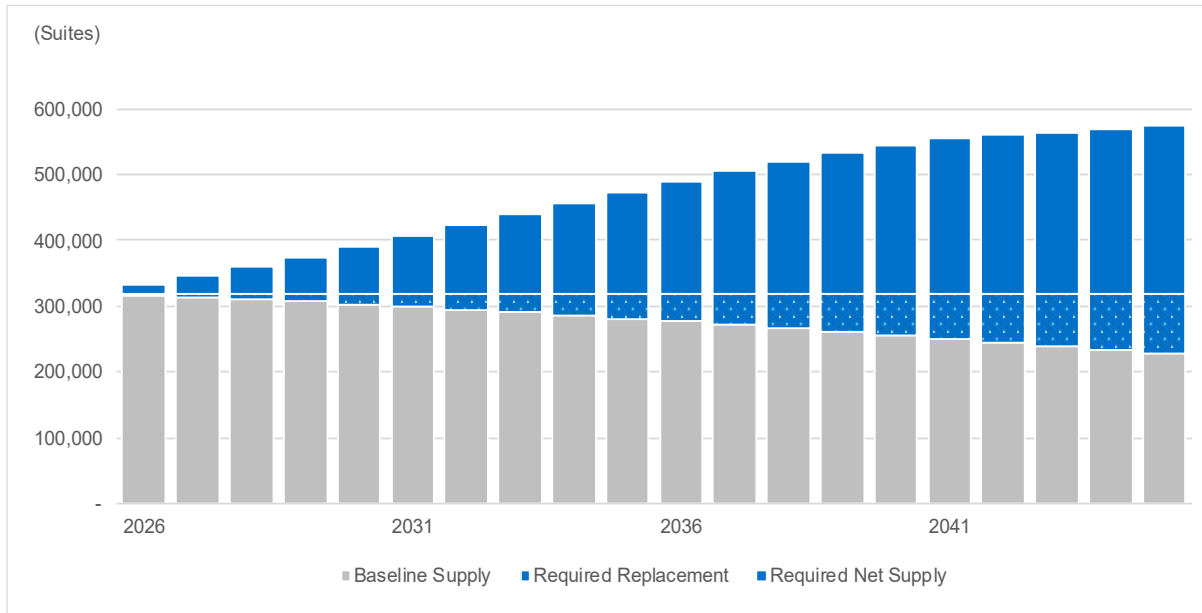
- If governments are unable to fully address demand growth for government-funded long term care spaces, there may be additional demand for retirement suites.
- The existing inventory of retirement suites includes a number of older properties which may become obsolete over time, further increasing demand for newer suites.
- We believe that there is pent-up demand for retirement accommodation and services, that built up through the pandemic, driven by the increased ageing population and disruptions of community-based support services for seniors during the pandemic.
- The acceptance of retirement living is significantly higher in Quebec. We believe the introduction of more flexible service offering and pricing options, including a-la-carte services, across the country, may further increase consumer interest in retirement living and drive higher demand.

Population of Age 75+ Year Olds



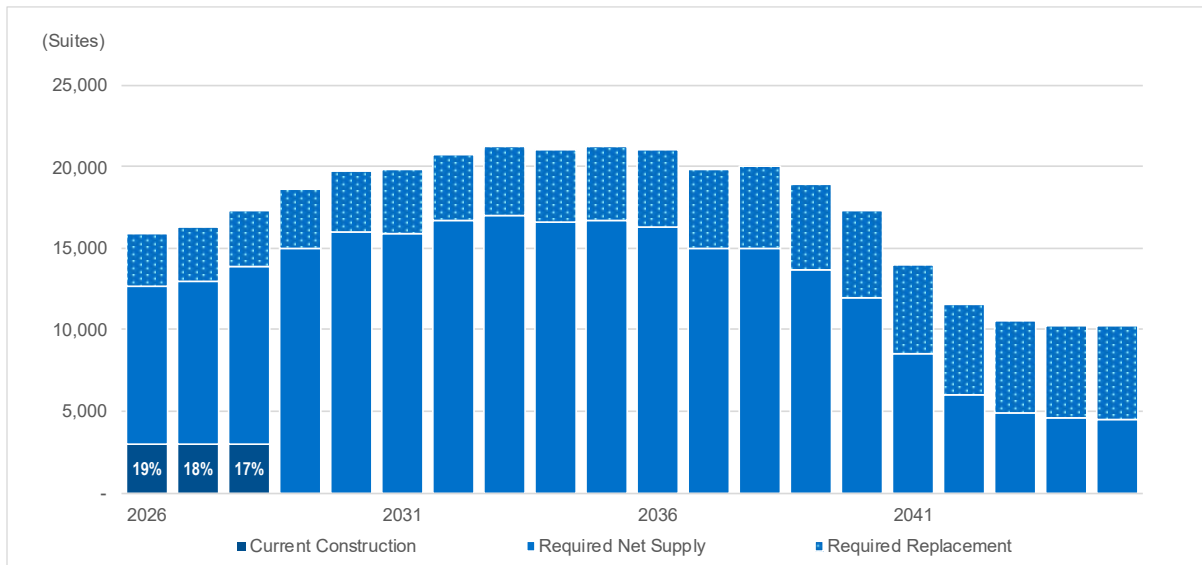
Sources: Statistics Canada and Cushman & Wakefield ULC.

New Supply Required to Maintain Market Equilibrium



Source: Cushman & Wakefield ULC.

Required Net-New Supply vs. Lifecycle Replacement of Existing Inventory



Source: Cushman & Wakefield ULC.

Chartwell Top 15 Markets – Supply and Demand Data

Supply

Location ⁽⁴⁾	Chartwell Portfolio ⁽¹⁾		Existing Inventory ⁽²⁾		Properties under construction within 5km of a Chartwell Property ⁽³⁾	
	Total		Total		# of Properties	# of Suites
	# of Properties	# of Suites	# of Properties	# of Suites		
Greater Vancouver Area	11	1,477	182	14,530	0	0
Calgary	6	731	78	9,937	1	151
Edmonton	6	1,196	91	10,395	1	114
Durham	5	587	36	4,989	1	160
Windsor/Essex County	3	340	27	2,445	0	0
Halton	4	484	32	3,876	3	614
Ontario North	8	849	41	3,601	0	0
Greater Ottawa Area	5	658	95	11,640	2	580
Peel	2	194	30	4,116	0	0
Toronto	6	1,036	71	8,111	2	346
Kitchener/Waterloo/Cambridge/Guelph	8	1,014	60	5,661	0	0
York	7	776	42	5,164	1	203
Gatineau	6	2,036	24	4,235	0	0
Greater Montreal Area	15	5,012	351	63,813	1	205
Quebec City	11	4,072	146	19,152	1	218
Subtotal (Top 15 Markets)	103	20,462	1,306	171,665	13	2,591
Other	37	5,393				
Grand Total	140	25,855				

(1) Excludes LTC.

(2) Source: Cushman & Wakefield ULC.

(3) Illustrative only. A 5km radius is not necessarily indicative of our view of competition. Properties listed includes only private pay retirement residences and seniors apartments and excludes other forms of competition such as home care, naturally occurring retirement communities, multi-family rental, and long term care.

(4) Locations follow CMHC's region and naming convention except for Greater Vancouver Area (CMHC region "Lower Mainland"), Greater Montreal Area (CMHC region "Montreal"), Greater Ottawa Area (CMHC region "Ottawa"), and Kitchener/Waterloo/Cambridge/Guelph (CMHC region "Waterloo, Wellington & Dufferin").

Demand

Location ⁽³⁾	Demographic Information ⁽¹⁾				Demographic Data 75+ yrs ⁽¹⁾		
	2025				2025		
	Total Population	Median Household Income (\$)	Avg House Value (\$)	Unemployment Rate %	Total Population	10 yr Growth %	10 yr CAGR
Greater Vancouver Area	3,565,940	105,800	1,326,752	6.4%	276,863	56.4%	4.6%
Calgary	1,788,962	104,267	697,566	7.0%	103,032	93.8%	6.8%
Edmonton	1,636,501	98,347	470,916	7.8%	103,162	74.1%	5.7%
Durham	801,942	123,328	829,180	8.6%	56,428	58.2%	4.7%
Windsor/Essex County	479,248	90,929	500,790	8.7%	41,553	48.5%	4.0%
Halton	667,037	144,144	1,163,918	8.2%	53,468	48.8%	4.1%
Ontario North	868,200	90,426	387,824	7.8%	87,799	51.5%	4.2%
Greater Ottawa Area	1,182,088	120,200	653,413	7.6%	93,577	52.1%	4.3%
Peel	1,640,630	104,277	979,992	8.2%	107,117	50.4%	4.2%
Toronto	3,214,723	91,609	1,076,003	8.2%	250,493	38.2%	3.3%
Kitchener/Waterloo/Cambridge/Guelph	1,057,004	106,904	756,094	8.3%	74,561	49.9%	4.1%
York	1,286,802	123,390	1,268,207	8.2%	107,834	65.7%	5.2%
Gatineau	373,602	94,834	463,721	7.5%	26,953	58.3%	4.7%
Greater Montreal Area	4,602,080	87,157	569,189	6.1%	395,621	38.4%	3.3%
Quebec City	896,222	89,683	418,658	3.4%	93,933	45.3%	3.8%
Subtotal/Average (Top 15 Markets)	24,060,981	105,020⁽²⁾	770,815⁽²⁾	7.5%⁽²⁾	1,872,394	55.3%⁽²⁾	4.5%⁽²⁾

(1) Sources: Cushman & Wakefield provided by Environics Analytics 2024, and Statistics Canada. Table 14-10-0354-01 Regional unemployment rates used by the Employment Insurance program, three-month moving average, seasonally adjusted.

(2) Average.

(3) Locations follow CMHC's region and naming convention except for Greater Vancouver (CMHC region "Lower Mainland"), Greater Montreal Area (CMHC region "Montreal"), Greater Ottawa Area (CMHC region "Ottawa") and Kitchener/Waterloo/Cambridge/Guelph (CMHC region "Waterloo, Wellington & Dufferin").